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15				
1.6	RAMTIN ZAKIKHANI, KIMBERLY	Case No.: 8:20-cv-01584-SB-JDE		
16	ELZINGA, THEODORE MADDOX JR.,			
17	MICHAEL SUMMA, JACQUELINE	SECOND AMENDED CLASS		
18	WASHINGTON, PATTI TALLEY, ANA	ACTION COMPLAINT		
10	OLACIREGUI, ELAINE PEACOCK,			
19	MELODY IRISH, and DONNA	DEMAND FOR JURY TRIAL		
20	TINSLEY, individually and on behalf of			
	all others similarly situated,			
21	71.1.100			
22	Plaintiffs,			
23	***			
23	V.			
24	HYUNDAI MOTOR COMPANY,			
25	HYUNDAI MOTOR AMERICA, KIA			
	CORPORATION, and KIA AMERICA,			
26	INC.,			
27				
	Defendants			
28	Defendants.			

Page

1 TABLE OF CONTENTS 2 3 I. 4 JURISDICTION9 II. 5 6 7 8 9 10 11 12 13 14 8. Virginia Plaintiff......21 15 9. Missouri Plaintiff 22 16 17 18 A. Hyundai and Kia become one of the most popular automakers in the United 19 20 ABS control modules are intended to prevent car wheels from locking and cars B. 21 from skidding out of control. Defendants manufactured and sold over a million Defective Vehicles with a 22 23 The Defect caused Plaintiff Zakikhani's 2007 Hyundai Entourage to catch fire 24 while parked in his garage, threatening his family's life, and causing damage to 25 E. 26 Hyundai America and Kia America issue inadequate and incomplete Recalls, F. 27

28

leaving over a million dangerous Defective Vehicles on the road.......71

1	G. Hyundai America and Kia America falsely claim to offer the best warranty program in the nation
2	H. Fraudulent Omission/Concealment Allegations
3	V. TOLLING OF STATUTES OF LIMITATIONS
4	A. Discovery Rule98
5	B. Estoppel
6	C. Fraudulent Concealment
7 8	VI. CALIFORNIA LAW APPLIES TO NATIONWIDE CLAIMS 101
9	VII. CLASS ALLEGATIONS
10	VIII.CAUSES OF ACTION
11	VIOLATION OF THE CALIFORNIA CONSUMER LEGAL REMEDIES ACT, Cal. Civ. Code § 1750, ET SEQ
12	VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE § 17200117
14	VIOLATION OF THE CALIFORNIA FALSE ADVERTISING LAW, CAL. BUS. & PROF. CODE § 17500, ET SEQ119
15 16	VIOLATIONS OF THE SONG-BEVERLY ACT, BREACH OF IMPLIED WARRANTY, CAL. CIV. CODE §§ 1792, 1791.1, ET SEQ
17 18	VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT,
19	FLA. STAT. § 501.201 ET SEQ
20	BREACH OF IMPLIED WARRANTY,
21	FLA. STAT. § 672.314
22	VIOLATION OF THE OHIO CONSUMER SALES PRACTICES ACT, OHIO REV. CODE ANN. § 1345.01 ET SEQ
23	BREACH OF IMPLIED WARRANTY,
24	OHIO REV. CODE ANN. § 1302.27
25	VIOLATION OF THE MARYLAND CONSUMER PROTECTION ACT, MD. CODE ANN., COM. LAW § 13-101 ET SEQ
26	BREACH OF IMPLIED WARRANTY,
27	MD. CODE ANN., COM. LAW §§ 2-314
28	

1	VIOLATION OF THE VIRGINIA CONSUMER PROTECTION ACT, VA. CODE ANN. § 59.1-196, ET SEQ
2 3	BREACH OF IMPLIED WARRANTY, VA. CODE ANN. § 8.2-314
4	VIOLATION OF THE RHODE ISLAND UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION ACT,
5	R.I. GEN. LAWS § 6-13.1, <i>ET SEQ</i>
6 7	BREACH OF IMPLIED WARRANTY, R.I. GEN. LAWS § 6A-2-314;
8	VIOLATION OF THE CONNECTICUT UNFAIR TRADE PRACTICES ACT, CONN. GEN. STAT. § 42-110A <i>ET SEQ</i>
9 10	VIOLATION OF THE TEXAS DECEPTIVE TRADE PRACTICES AND CONSUMER PROTECTION ACT,
11	TEX. BUS. & COM. CODE § 17.4 ET SEQ
12	BREACH OF IMPLIED WARRANTY, TEX. BUS. & COM. CODE § 2.314
13 14	VIOLATION OF THE MISSOURI MERCHANDISING PRACTICES ACT, MO. REV. STAT. § 407.010, ET SEQ
15	BREACH OF IMPLIED WARRANTY, MO. REV. STAT. § 400.2-314
16 17	IX. REQUEST FOR RELIEF
18	X. DEMAND FOR JURY TRIAL
19	
20	
21 22	
23	
24	
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26	
27	
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I.

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Plaintiffs Ramtin Zakikhani, Kimberly Elzinga, Theodore Maddox, Jr., Michael Summa, Jacqueline Washington, Patti Talley, Ana Olaciregui, Elaine Peacock, Melody Irish, and Donna Tinsley (collectively, "Plaintiffs"), individually and on behalf of all those similarly situated, complain of Defendants Hyundai Motor Company ("HMC"), Hyundai Motor America ("Hyundai America," and with HMC, "Hyundai"), KIA Corporation, formerly known as KIA Motors Corporation ("KMC"), and KIA America, Inc., formerly known as KIA Motors America, Inc. ("Kia America," and with KMC, "Kia") (Kia and Hyundai are collectively referred to as "Defendants"), based upon their personal knowledge as to facts specific to them and based upon the investigation of counsel in all other respects, as follows:

INTRODUCTION

- An automobile purchase is one of the most expensive and important decisions consumers make. Consumers rely upon auto-makers' superior knowledge to manufacture and sell cars that are safe and free from defects. Defendants readily acknowledge that "[a]ny fault in your car can affect your safety." Should a manufacturer or distributor learn of any safety defects in its vehicles, it is imperative and a legal requirement for it to immediately warn the public and provide a comprehensive remedy.
- Despite these important duties, Defendants knowingly failed to recall over a 2. million Defective Vehicles² containing a potentially deadly defect—putting countless

¹ http://www.kia.com/worldwide/experience kia/rnd/performance.do (last accessed October 23, 2020).

² The Defective Vehicles are comprised of the following models: Hyundai Elantra (model years 2007-2010); Hyundai Elantra Touring (model years 2009-2011); Hyundai Entourage (model years 2007-2008); Hyundai Santa Fe (model year 2007); Hyundai Azera (model year 2006-2011); Hyundai Sonata (model year); Kia Sedona (model years 2006-2010); Kia Sorento (model years 2007-2009, 2014-2015); Kia

lives at risk from approximately 2006 to this day.

- 3. In April 2011, a public complaint was filed with the National Highway Traffic Safety Administration ("NHTSA") by an owner of a 2010 Hyundai Elantra.³ The owner reported that his or her "6-month old Hyundai Elantra Touring caught fire after sitting in [his or her] driveway for nine hours." Unable to identify a cause for why a brand-new vehicle would spontaneously erupt in flames, a forensic engineer was retained to determine the cause of the vehicle-fire.
- 4. Upon completion of the investigation, the owner's public complaint states that the engineer "concluded that the fire was electrical and originated in the engine compartment." At that time, Defendants had yet to issue any recalls or publicly acknowledge any defect in the Defective Vehicles that may result in spontaneous engine compartment fires.
- 5. The forensic engineer's conclusion was spot-on. The 2010 Hyundai Elantra, and each Defective Vehicle, contains a potentially deadly defect in the Anti-Lock Brake System ("ABS") installed in the engine compartment. Specifically, the defect allows moisture to accumulate within the ABS control module (also referred to as a Hydraulic Electronic Control Unit ("HECU")), which maintains an electrical charge even when the vehicle is off. Due to the moisture entering the electrified ABS control module, a short circuit is formed which creates a high likelihood that a fire will erupt in the vehicle's

Sportage (model years 2008-2009); Kia Optima (model years 2013-2015); Kia Stinger (model years 2018-2021); Hyundai Santa Fe Sport (model years 2013-2015); Hyundai Tucson (model years 2016-2021); Kia Sportage (model years 2017-2021); Kia Cadenza (model years 2017-2019); Hyundai Genesis (model years 2015-2016); and Hyundai Genesis G80 (model years 2017-2020). Plaintiffs bring claims only on behalf of Hyundai Entourage, Hyundai Tucson, Kia Sedona, and Kia Sorento Defective Vehicles.

³ NHTSA ID No.: 10398944.

engine compartment. (Referred to herein as the "Defect.").

6. Since the first NHTSA complaint was filed in 2011, scores of Defective Vehicle owners have reported horrifying accounts of their vehicles erupting in flames, including stories of entire homes being burned to a crisp, neighboring properties catching fire, and individuals narrowly escaping their burning homes. Indeed, on March 26, 2019, while sitting in his living room, Plaintiff Zakikhani was disturbed in the middle of the night by a car horn coming from his garage and a thick black plume of smoke emanating from his 2007 Hyundai Entourage.



Plaintiff Zakikhani's 2007 Hyundai Entourage on the night the Defect caused the vehicle to erupt in his garage.

- 7. Defendants were aware of the Defect long before they ever acknowledged its existence. Defendants are experienced (and tout themselves as such) in the design and manufacture of consumer vehicles and conduct durability tests on all of its components, including ABS control modules, to verify the parts are free from defects and comply with their specifications.
- 8. Defendants also have access to numerous sources of reports of Defective Vehicle failures caused by the Defect, including their own records of customer

complaints, dealership repair records, warranty claims, and NHTSA complaints.

- 9. Pursuant to the TREAD Act, Pub. L. No. 106-414, 114 Stat.1800 (2000), Defendants are required to monitor NHTSA databases to identify potential defects in their vehicle. Additionally, as part of a 2014 NHTSA Consent Decree entered against Hyundai America for failing to timely warn consumers of a defect which allowed moisture to enter in HECUs and increased the risk of crashes, Hyundai America is also obligated to maintain a Technical Committee to review all potential defects and consider whether safety recalls are necessary.
- 10. In the face of numerous terrifying reports of unexplainable and spontaneous engine compartment fires in Defective Vehicles, Defendants knowingly waited years to issue recalls for the defective vehicles and disclose the Defect.
- 11. On November 4, 2016, Kia America announced for the first time that the Kia Sportage (model years 2008-2009), suffered from the Defect which allows water to enter the HECU, creating a risk of engine compartment fires (the "2016 Recall"). Defendants, however, did not disclose that the Defect also included the HECU remaining electrically charged at all times or offer to fix this aspect of the Defect. Nor did Defendants warn that the same Defect is found in multiple other Hyundai and Kia vehicles.
- 12. Two years after Kia America acknowledged the Defect, on January 9, 2018, Hyundai America reported that Hyundai Azera (model years 2006-2011) and Hyundai Sonata (model year 2006) also contained the Defect (the "2018 Recall"). Unlike the 2016 Recall, Hyundai America acknowledged that the Defect and the associated risk of fire are related to the ABS module remaining charged at all times. But Hyundai refused to address the moisture entering into the ABS module or the risk of engine compartment fires while the car is on and did not warn that the Defect was also found in hundreds of

thousands of additional vehicles.

- 13. Beginning in 2018, Hyundai and Kia began to fall under greater scrutiny by the public and NHTSA for their lackadaisical approach when dealing with deadly defects in their vehicles. In 2019, NHTSA's Office of Defects Investigation ("ODI") opened an investigation into Hyundai America's and Kia America's practices after receiving a petition by the Center for Auto Safety to initiate a safety defect investigation into non-collision related fires in Hyundai and Kia vehicles (the "NHTSA Investigation").⁴ After the ODI sent an Information Request letter to Hyundai America and Kia America, Defendants began to issue numerous safety recalls related to engine compartment fires.
- 14. Over the course of 2020, Hyundai American and Kia America would slowly recall over a million Defective Vehicles due to the Defect. In February 2020, Hyundai America recalled Hyundai Elantra (model years 2007-2010), Hyundai Elantra Touring (model years 2009-2011), Hyundai Entourage (model years 2007-2008), Hyundai Santa Fe (model year 2007), Kia Sedona (model years 2006-2010) and Kia Sorento (model years 2007-2009) due to the presence of the Defect (the "February 2020 Recall").
- 15. On August 27 and September 4, 2020, Defendants disclosed that the Defect was found in Kia Optima (model years 2013-2015); Kia Sorento (model years 2014-2015), Kia Stinger (model year 2019); Hyundai Santa Fe Sport (model years 2013-2015), and Hyundai Tucson (model years 2019-2021) vehicles (the "Summer 2020 Recall").
- 16. On December 30, 2020, Hyundai America expanded its recall of Hyundai Tucson vehicles to include approximately 500,000 additional vehicles in model years 2016-2018 (the "December 2020 Recall"). That same day, Kia expanded its recall of Stinger vehicles to include model years 2018 and 2020-2021. Kia further disclosed that

⁴ NHTSA IDs: PE19003, PE19004.

the recalled Tucson vehicles are "equipped with the same HECU as the Kia Stinger."

- 17. On March 4, 2021, Kia America announced that it was recalling over 370,000 vehicles, comprised of Kia Sportage (model years 2017-2021) and Kia Cadenza (model years 2017-2019) vehicles due to the Defect and warned drivers to "park outside and away from structures as a precaution" in order to avoid catastrophic fires. A week later, on March 10, 2021, Hyundai America recalled 94,645 Hyundai Genesis (model years 2015-2016) and Hyundai Genesis G80 (model years 2017-2020) vehicles due to the Defect. (Collectively referred to as the "March 2021 Recall.")
- 18. On April 28, 2021, Hyundai America announced a new recall for Hyundai Santa Fe Sport (model years 2013-2015), replacing the Summer 2020 Recall (the "April 2021 Recall"). And on May 10, 2021, Kia America announced a new recall for Kia Optima (model years 2013-2015) and Kia Sorento (model years 2014-2015) vehicles which were part of the Summer 2020 Recall. (The "May 2021 Recall," and together with the 2016 Recall, 2018 Recall, the February 2020 Recall, Summer 2020 Recall, December 2020 Recall, March 2021 Recall, and April 2021 Recall, the "Recalls"). Hyundai America and Kia America issued these replacement Recalls in order to address one of the inadequacies with the "remedy" proposed in the Summer 2020 Recall. Hyundai also revealed that the number of engine compartment fire incidents caused by the Defect were greater than previously disclosed.
- 19. Critically, each of the "remedies" proposed in the Recalls do not remove the risk of spontaneous engine compartment fires in Defective Vehicles. Defendants offered three forms of "remedy programs" to address the Defect. The first "remedy" (proposed in the 2016 Recall) merely replaces the connector cover of the defective component, and the second "remedy" (proposed in the 2018 and February 2020 Recalls) installs a relay

in the fuse box to remove the electrical current from the ABS module when the car is turned off. The remedies, however, are just band-aids for a deadly Defect which requires a comprehensive fix to make these vehicles safe. The defective ABS control modules remain in these vehicles. The proposed "remedies" also do not prevent ABS modules from erupting while someone is driving a Defective Vehicle—a fact that Hyundai has acknowledged, nor do they adequately prevent the components from collecting moisture which causes short-circuits in the first instance. In fact, an owner of a 2010 Kia Sedona reported that the vehicle caught fire even after the "remedy" was installed.⁵

- 20. As for the third "remedy" (proposed in the Summer and December 2020 Recall and 2021 Recalls), Hyundai America and Kia America propose installing a lower amperage fuse into the ABS module of the Defective Vehicles, and if they determine that there is a present brake fluid leak into the ABS module, replace the control unit. This "remedy" is equally deficient in that it will leave as is the ABS modules which are definitively known to leak brake fluid and cause fires. Additionally, while the fuse may prevent a fire if triggered in time, upon such an occurrence, the driver is left stranded in a vehicle that cannot be driven without causing a fire. Lastly, Kia America has already revealed that melting in an Optima has occurred following completion of the remedy procedure provided in the Summer 2020 Recall. Defendants' efforts to implement temporary solutions are all the more unsatisfactory given Kia America and Hyundai America have repeatedly stated that they are unable to identify the precise cause of the Defect.
- 21. Defendants' abhorrent disregard for the safety of their consumers came at a total surprise to Plaintiffs and other Class Members who were repeatedly told by

⁵ NHTSA ID No.: 11388907 (dated January 19, 2021).

Defendants that their vehicles undergo many hours of detailed pre-sale durability testing and that the manufacturers place an emphasis on "quality and durability." Moreover, Plaintiffs and other Class Members were outraged to learn that despite advertisements that Defendants offered "industry lead[ing]" warranty programs and "America's Best Warranty," Defendants would do all they could to conceal the Defect and skirt their obligations.

- 22. After Plaintiffs initiated this action, the true nature of Defendants business practices began to come to light. On November 27, 2020, NHTSA announced that it had entered into consent orders with Hyundai America and Kia America, which included combined penalties of \$210 million.⁶ The consent orders and fines "reflect [NHTSA's] assessment that both Hyundai and Kia conducted untimely recalls of over 1.6 million vehicles... and inaccurately reported certain information to NHTSA regarding the recalls."
- 23. Had Plaintiffs and other Class Members known of the Defect at the time of purchase or lease, they would not have bought or leased the Defective Vehicles or would have paid substantially less for them.
- 24. As a result of Defendants' unfair, deceptive, and/or fraudulent business practices, owners and/or lessees of the Defective Vehicles, including Plaintiffs, have suffered an ascertainable loss of money and/or property and/or loss in value. The unfair and deceptive trade practices committed by Defendants caused Plaintiffs and the members of the Class damages, including, but not limited to, loss of value, loss of use of the vehicles, and repair costs.

⁶ https://www.nhtsa.gov/press-releases/nhtsa-announces-consent-orders-hyundai-and-kia-over-theta-ii-recall (last accessed July 15, 2021).

25. Accordingly, Plaintiffs bring this action to redress Defendants' misconduct. Plaintiffs seek equitable relief in the form of replacement of the defective ABS control modules found in the Defective Vehicles and an adequate remedy for the Defect and an appropriate curative notice regarding the existence and cause of the ABS control module Defect, and recovery of damages and a repair under state consumer-protection statutes and implied warranties, and reimbursement of all expenses associated with the repair or replacement of the Defective Vehicle and damage caused by the Defective Vehicles.

II. JURISDICTION

- 26. This Court has subject matter jurisdiction under the Class Action Fairness Act of 2005 ("CAFA"), 28 U.S.C. §§1332(d)(2) and (6) because: (i) there are 100 or more class members, (ii) there is an aggregate amount in controversy exceeding \$5,000,000.00 exclusive of interest and costs, and (iii) there is minimal diversity because at least one plaintiff and one defendant are citizens of different states. This Court also has supplemental jurisdiction over the state law claims under 28 U.S.C. § 1367.
- 27. Venue is proper in this judicial district under 28 U.S.C. § 1391 because Defendants transact substantial business and because Hyundai America and Kia America are headquartered in this district. Hyundai America and Kia America advertised in this district and Defendants received substantial revenue and profits from sales and/or leases of the Defective Vehicles in this district. Defendants also have research and development offices in this district. Therefore, a substantial part of the events and/or omissions giving rise to the claims occurred, in part, within this district.
- 28. This Court has personal jurisdiction over Defendants by virtue of their transactions and business conducted in this judicial district, and because Hyundai America and Kia America are headquartered in California. Defendants have transacted

and done business, and violated statutory and common law, in the State of California and in this judicial district.

III. PARTIES

A. Plaintiffs

1. California Plaintiff

- 29. Plaintiff Kimberly Elzinga is a resident of Simi Valley, California. Ms. Elzinga purchased a 2019 Hyundai Tucson, VIN Number: KM8J23A41KU976703, from Westlake Hyundai, located at 3610 E. Thousand Oaks Boulevard, Thousand Oaks, California, in August of 2019. Westlake Hyundai is part of Hyundai's network of authorized dealers across the United States, and is promoted on Hyundai's website.⁷
- 30. Ms. Elzinga purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Elzinga researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Elzinga heard, viewed, and/or read Hyundai marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Hyundai vehicles.
- 31. At no point before Ms. Elzinga purchased her vehicle did Hyundai disclose that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 32. Ms. Elzinga did not receive the benefit of her bargain. Ms. Elzinga purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not

⁷ https://www.hyundaiusa.com/us/en/dealer-locator (last accessed July 15, 2021).

receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Elzinga's Defective Vehicle.

- 33. Had Hyundai America or HMC disclosed the Defect, Ms. Elzinga would not have purchased her Defective Vehicle, or would have paid less to do so.
- 34. Ms. Elzinga purchased her vehicle new and it included the manufacturer's warranty. Ms. Elzinga still owns her vehicle, which is used for personal, family and/or household uses. At all times, Ms. Elzinga maintained her vehicle in accordance with Hyundai's guidance.
- 35. Ms. Elzinga would purchase a Hyundai vehicle in the future if Hyundai's representations about the vehicle, including its safety and durability, were accurate.

2. Rhode Island Plaintiff

- 36. Plaintiff Ramtin Zakikhani is a resident of Sarasota, Florida. Mr. Zakikhani purchased a 2007 Hyundai Entourage minivan, VIN Number: KNDMC233576041791, from Hyundai of Newport, located at 11133 West Main Road, Middletown, Rhode Island, on June 10, 2008. Hyundai of Newport is part of Hyundai's network of authorized dealers across the United States, and is promoted on Hyundai's website.⁸
- 37. Mr. Zakikhani's vehicle was "Certified Pre-Owned" by Hyundai, which included a 10-year/100,000-mile powertrain warranty for his "peace of mind." Additionally, Plaintiff paid \$1,400 for an extended "Platinum" bumper-to-bumper warranty, which covers "any [] mechanical breakdown," including "ABS component parts including control processor/module." Mr. Zakikhani purchased his Defective Vehicle because he believed that the vehicle was safe and reliable. When shopping for

⁸ https://www.hyundaiusa.com/us/en/dealer-locator (last accessed July 15, 2021).

his Defective Vehicle, Mr. Zakikhani researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing his Defective Vehicle, Mr. Zakikhani heard, viewed, and/or read Hyundai marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Hyundai vehicles.

- 38. At no point before Mr. Zakikhani purchased his vehicle did Hyundai disclose to him that his vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 39. Mr. Zakikhani did not receive the benefit of his bargain. He purchased a vehicle that is of a lesser standard, grade, and quality than represented, and he did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Mr. Zakikhani's Defective Vehicle.
- 40. Had Hyundai America or HMC disclosed the Defect, Mr. Zakikhani would not have purchased his Defective Vehicle, or would have paid less to do so.
- 41. Mr. Zakikhani would purchase a Hyundai vehicle in the future if Hyundai's representations about the vehicle, including its safety and durability, were accurate.

3. Ohio Plaintiff

42. Plaintiff Jacqueline Washington is a resident of Cincinnati, Ohio. Ms. Washington purchased a 2014 Kia Sorento, VIN Number: 5XYKT3A61EG491877, from Kings KIA, located at 9600 Kings Automall Road Cincinnati, OH 45249, in June 2020. Kings KIA is part of Kia's network of authorized dealers across the United States,

and is promoted on Kia America's website.9

- 43. Ms. Washington purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Washington researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Washington heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.
- 44. At no point before Ms. Washington purchased her vehicle did Kia disclose to her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 45. Ms. Washington did not receive the benefit of her bargain. Ms. Washington purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Washington's Defective Vehicle.
- 46. Had Kia America or KMC disclosed the Defect, Ms. Washington would not have purchased her Defective Vehicle, or would have paid less to do so.
- 47. Ms. Washington still owns her vehicle, which is used for personal, family and/or household uses.
 - 48. At all times, Ms. Washington maintained her vehicle in accordance with

⁹ https://www.kia.com/us/en/find-a-dealer/result?zipCode=45249 (last accessed July 15, 2021).

Kia's guidance.

49. Ms. Washington would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

4. Florida Plaintiff

- 50. Plaintiff Patti Talley is a resident of Bradenton, Florida. Ms. Talley purchased a 2017 Hyundai Tucson, VIN Number: KM8J23A48HU564688, from Hyundai of New Port Richey, located at 3936 US-19, New Port Richey, FL 34652, in July 2019. Hyundai of New Port Richey is part of Hyundai's network of authorized dealers across the United States, and is promoted on Hyundai America's website. 10
- 51. Ms. Talley purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Talley researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Talley heard, viewed, and/or read Hyundai marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Hyundai vehicles.
- 52. At no point before Ms. Talley purchased her vehicle did Hyundai disclose to her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 53. Ms. Talley did not receive the benefit of her bargain. Ms. Talley purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe

¹⁰ https://www.hyundaiusa.com/us/en/dealer-locator (last accessed July 15, 2021).

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V543-3047.PDF (last accessed July 15, 2021).

and reliable operation. The Defect has significantly diminished the value of Ms. Talley's Defective Vehicle.

- 54. Had Hyundai or HMC disclosed the Defect, Ms. Talley would not have purchased her Defective Vehicle, or would have paid less to do so.
- 55. Ms. Talley purchased her vehicle certified pre-owned and it included the manufacturer's warranty. At all times, Ms. Talley maintained her vehicle in accordance with Hyundai's guidance.
- 56. On February 20, 2021, Ms. Talley's daughter's fiancé was driving her 2017 Hyundai Tucson when the engine compartment spontaneously erupted and soon engulfed her Defective Vehicle. Ms. Talley's vehicle was a total loss and her personal property was destroyed in the fire. Notably, Hyundai America did not expand its Summer 2020 Recall of Hyundai Tucson vehicles to include Ms. Talley's vehicle until December 2020, and as part of the Recall, it stated that it would only "begin[]" to notify owners in "February 2021." Ms. Talley was unaware that her vehicle contained the Defect until her vehicle caught fire.
- 57. Ms. Talley would purchase a Hyundai vehicle in the future if Hyundai's representations about the vehicle, including its safety and durability, were accurate.

5. Maryland Plaintiffs

58. Plaintiff Ana Olaciregui is a resident of Annapolis, Maryland. Ms. Olaciregui purchased a 2015 Kia Sorento, VIN Number: 5XYKT3A67FG553509, from Kia of Bowie, located at 16620 Governor Bridge Rd, Bowie, MD 20716, in October 2015. Kia of Bowie is part of Kia's network of authorized dealers across the United States, and is

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promoted on Kia America's website. 12

Ms. Olaciregui purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Olaciregui researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Olaciregui heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.

- At no point before Ms. Olaciregui purchased her vehicle did Kia disclose to 60. her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 61. Ms. Olaciregui did not receive the benefit of her bargain. Ms. Olaciregui purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Olaciregui's Defective Vehicle.
- Had Kia America or KMC disclosed the Defect, Ms. Olaciregui would not 62. have purchased her Defective Vehicle, or would have paid less to do so.
- 63. Ms. Olaciregui purchased her vehicle new and it included the manufacturer's warranty. Ms. Olaciregui still owns her vehicle, which is used for personal, family and/or household uses. At all times, Ms. Olaciregui maintained her vehicle in accordance with

 $^{^{12}\} https://www.kia.com/us/en/find-a-dealer/result?zipCode=20716\ \ (last\ accessed$ July 15, 2021).

Kia's guidance.

- 64. Ms. Olaciregui would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.
- 65. Plaintiff Elaine Peacock is a resident of Salisbury, Maryland. Ms. Peacock purchased a 2007 Kia Sorento, VIN Number: KNDJD736975696520, from Safford KIA of Salisbury (then known as Sherwood Kia), located at 1911 N. Salisbury Blvd., Salisbury, MD 21801, in July 2007. Safford KIA of Salisbury is part of Kia's network of authorized dealers across the United States, and is promoted on Kia America's website. ¹³
- 66. Ms. Peacock purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Peacock researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Peacock heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.
- 67. At no point before Ms. Peacock purchased her vehicle did Kia disclose to her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 68. Ms. Peacock did not receive the benefit of her bargain. Ms. Peacock purchased a vehicle that is of a lesser standard, grade, and quality than represented, and

¹³ https://www.kia.com/us/en/find-a-dealer/result?zipCode=21801 (last accessed July 15, 2021).

she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Peacock's Defective Vehicle.

- 69. Had Kia America or KMC disclosed the Defect, Ms. Peacock would not have purchased her Defective Vehicle, or would have paid less to do so.
- 70. Ms. Peacock purchased her vehicle new and it included the manufacturer's warranty. Ms. Peacock still owns her vehicle, which is used for personal, family and/or household uses. At all times, Ms. Peacock maintained her vehicle in accordance with Kia's guidance.
- 71. Ms. Peacock would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

6. Connecticut Plaintiff

- 72. Plaintiff Michael Summa is a resident of Patterson, New York. In 2015, Mr. Summa leased a new 2015 Kia Sorento, VIN Number: 5XYKTDA76FG611320, from Danbury KIA, located at 100a Federal Road, Danbury, CT 06810. On July 23, 2017, Mr. Summa purchased the vehicle from Danbury KIA. Danbury KIA is part of Kia's network of authorized dealers across the United States, and is promoted on Kia America's website.¹⁴
- 73. Mr. Summa purchased his vehicle for personal, family and/or household uses. At all times, Mr. Summa maintained his vehicle in accordance with Kia's guidance. Mr. Summa still owns and possesses his vehicle.
 - 74. Mr. Summa purchased his Defective Vehicle because he believed that the

¹⁴ https://www.kia.com/us/en/find-a-dealer/result?zipCode=06810 (last accessed July 15, 2021).

vehicle was safe and reliable. When shopping for his Defective Vehicle, Mr. Summa researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing his Defective Vehicle, Mr. Summa heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.

- 75. At no point before Mr. Summa purchased his vehicle did Kia disclose to him that his vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 76. Mr. Summa did not receive the benefit of his bargain. Mr. Summa purchased a vehicle that is of a lesser standard, grade, and quality than represented, and he did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Mr. Summa's Defective Vehicle.
- 77. Had Kia America or KMC disclosed the Defect, Mr. Summa would not have purchased his Defective Vehicle, or would have paid less to do so.
- 78. Mr. Summa would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

7. Texas Plaintiff

79. Plaintiff Melody Irish is a resident of Twin Falls, Idaho. Ms. Irish purchased a 2009 Kia Sedona, VIN Number: KNDMB233096318286, from Young Chevrolet in Dallas, Texas in December 2011. On multiple occasions, Ms. Irish's vehicle has been serviced by authorized Kia dealerships. Following the announcement of the Recall of her

Defective Vehicle, Ms. Irish brought her 2009 Sedona into Kendall KIA of Nampa, located at 15700 Idaho Center Blvd., Nampa, ID 83687. Kendall KIA of Nampa is part of Kia's network of authorized dealers across the United States, and is promoted on Kia America's website. ¹⁵

- 80. Ms. Irish purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Irish researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Irish heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.
- 81. At no point before Ms. Irish purchased her vehicle did Kia disclose to her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 82. Ms. Irish did not receive the benefit of her bargain. Ms. Irish purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Irish's Defective Vehicle.
- 83. Had Kia America or KMC disclosed the Defect, Ms. Irish would not have purchased her Defective Vehicle, or would have paid less to do so.

¹⁵ https://www.kia.com/us/en/find-a-dealer/result?zipCode=83687 (last accessed July 15, 2021).

84. When Ms. Irish purchased her vehicle it included the manufacturer's warranty. Ms. Irish still owns her vehicle, which is used for personal, family and/or household uses. At all times, Ms. Irish maintained her vehicle in accordance with Kia's guidance.

85. Ms. Irish would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

8. Virginia Plaintiff

86. Plaintiff Theodore Maddox, Jr., is a resident of Virginia. Mr. Maddox purchased a 2007 Kia Sorento, VIN Number: KNDJC736175681884, from Charlie Obaugh KIA, located at 410 Lee Jackson Highway, Staunton, Virginia 24401, on May 4, 2015. Charlie Obaugh KIA is part of Kia's network of authorized dealers across the United States, and is promoted on Kia's website. 16

87. Mr. Maddox purchased his vehicle for personal, family and/or household uses. At all times, Mr. Maddox maintained his vehicle in accordance with Kia's guidance. On February 9, 2020, Mr. Maddox's vehicle experienced a severe malfunction which resulted in Mr. Maddox crashing his vehicle and sustaining a concussion. In the brief moments prior to the crash, the ABS and Electronic Stability Control System indicators became illuminated. Mr. Maddox still possesses his vehicle.

88. Mr. Maddox purchased his Defective Vehicle because he believed that the vehicle was safe and reliable. When shopping for his Defective Vehicle, Mr. Maddox researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing his Defective Vehicle, Mr. Maddox heard, viewed, and/or read Kia

¹⁶ https://www.kia.com/us/en/find-a-dealer/result?zipCode=24401 (last accessed July 15, 2021).

marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.

- 89. At no point before Mr. Maddox purchased his vehicle did Kia disclose to him that his vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 90. Mr. Maddox did not receive the benefit of his bargain. Mr. Maddox purchased a vehicle that is of a lesser standard, grade, and quality than represented, and he did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Mr. Maddox's Defective Vehicle.
- 91. Had Kia America or KMC disclosed the Defect, Mr. Maddox would not have purchased his Defective Vehicle, or would have paid less to do so.
- 92. Mr. Maddox would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

9. Missouri Plaintiff

93. Plaintiff Donna Tinsley is a resident of Saint Ann, Missouri. Ms. Tinsley purchased a 2009 Kia Sorento, VIN Number: KNDJC735395891350, from Lou Fusz KIA, located at 1025 N. Lindbergh Blvd., St. Louis, MO 63132, in December 2009. Lou Fusz KIA is part of Kia's network of authorized dealers across the United States, and is promoted on Kia America's website: 17

¹⁷ https://www.kia.com/us/en/find-a-dealer/result?zipCode=63132 (last accessed July 15, 2021).

- 94. Ms. Tinsley purchased her Defective Vehicle because she believed that the vehicle was safe and reliable. When shopping for her Defective Vehicle, Ms. Tinsley researched and considered the reliability and quality of the make and manufacturer. Prior to purchasing her Defective Vehicle, Ms. Tinsley heard, viewed, and/or read Kia marketing materials and advertisements including brochures, commercials, and internet advertisements, which were disseminated from California, that touted the quality, reliability and safety of Kia vehicles.
- 95. At no point before Ms. Tinsley purchased her vehicle did Kia disclose to her that her vehicle was not safe or dependable, or that it suffered from the Defect, which results in the spontaneous combustion of the vehicle's engine compartment and poses a risk to drivers and bystanders.
- 96. Ms. Tinsley did not receive the benefit of her bargain. Ms. Tinsley purchased a vehicle that is of a lesser standard, grade, and quality than represented, and she did not receive a vehicle that met ordinary and reasonable consumer expectations regarding safe and reliable operation. The Defect has significantly diminished the value of Ms. Tinsley's Defective Vehicle.
- 97. Had Kia America or KMC disclosed the Defect, Ms. Tinsley would not have purchased her Defective Vehicle, or would have paid less to do so.
- 98. Ms. Tinsley purchased her vehicle new and it included the manufacturer's warranty. Ms. Tinsley still owns her vehicle, which is used for personal, family and/or household uses. At all times, Ms. Tinsley maintained her vehicle in accordance with Kia's guidance.
- 99. Ms. Tinsley would purchase a Kia vehicle in the future if Kia's representations about the vehicle, including its safety and durability, were accurate.

B. Defendants

100. Defendant Hyundai America is a California corporation with its principal place of business in Fountain Valley, California. Hyundai America also maintains a 4,300-acre testing facility in Irwindale, California, and an engineering facility in Detroit, Michigan. Hyundai America is a subsidiary of HMC and is actively engaged in manufacturing, assembling, marketing, and distributing Hyundai vehicles sold in California and the rest of the United States.

101. Hyundai America's C-Suite, executives, and employees responsible for the manufacture, development, distribution, marketing, sales, customer service, and warranty servicing of Hyundai vehicles are located at the company's Fountain Valley headquarters. As detailed *infra*, the decisions regarding the marketing and sale of the Defective Vehicles, the development and issuance of the Recalls relating to the Defect found in the Defective Vehicles, and decisions regarding the disclosure or non-disclosure of the Defect were in whole or substantial part made by Hyundai America at its California headquarters.

102. In each of its Recall Reports filed with NHTSA related to the Defective Vehicles, Hyundai America is listed as the manufacturer of the recalled vehicles. Additionally, Hyundai America's recall notices to owners, it instructs Defective Vehicle owners to visit the "nearest Hyundai dealer" to have the repair completed.¹⁸

103. Defendant HMC is a South Korean corporation with its headquarters located in Seoul, South Korea. HMC is the parent corporation of Hyundai America and owns a 33.88% stake in KMC.

 $^{^{18}\} https://static.nhtsa.gov/odi/rcl/2020/RCONL-20V543-0565.pdf$ (last accessed July 15, 2021).

104. HMC promotes on its own website "all Hyundai models" sold by Hyundai America in the United States.¹⁹

105. Defendant Kia America is a California corporation with its principal place of business in Irvine, California. Kia America is a subsidiary of KMC and is actively engaged in manufacturing, assembling, marketing, and distributing Kia vehicles sold in the United States.

106. In each of its Recall Reports filed with NHTSA related to the Defective Vehicles, Kia America is listed as the manufacturer of the recalled vehicles. Additionally, Kia America's recall notices to owners, it instructs Defective Vehicle owners to have the repair completed at the "nearest Kia dealer," which can be located through the link to Kia America's website listed on the notice.²⁰

107. Kia America's C-Suite, executives, and employees responsible for the manufacture, development, distribution, marketing, sales, customer service, and warranty servicing of Kia vehicles are located at the company's Irvine headquarters. As detailed *infra*, the decisions regarding the marketing and sale of the Defective Vehicles, the development and issuance of the Recalls relating to the Defect found in the Defective Vehicles, and decisions regarding the disclosure or non-disclosure of the Defect were in whole or substantial part made by Kia America at its California headquarters.

108. Defendant KMC is a South Korean corporation with its headquarters located in Seoul, South Korea. KMC is the parent corporation of Kia America.

109. On its own website, KMC promotes Kia branded vehicles sold by Kia

¹⁹ https://www.hyundai.com/worldwide/en/vehicles (last accessed July 16, 2021).

²⁰ https://static.nhtsa.gov/odi/rcl/2020/RCONL-20V088-3964.pdf (last accessed July 15, 2021).

America in the United States.²¹

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IV. SUBSTANTIVE ALLEGATIONS

A. Hyundai and Kia become one of the most popular automakers in the United States by promoting the safety and reliability of their vehicles.

- 110. HMC was established in South Korea in 1967, and started selling vehicles in the United States in 1986 through its subsidiary Hyundai America. Since that time, HMC has become one of the largest automakers in the United States and around the world.
- 111. KMC was founded in 1944 manufacturing bicycles and motorcycles and is Korea's oldest manufacturer of motor vehicles. Kia America was formed in 1992 when KMC first imported its vehicles into the United States.
- 112. In 1999, HMC announced that it had acquired a controlling interest in KMC, and that KMC would obtain an ownership interest in approximately twenty-two (22) HMC subsidiaries. In subsequent years, HMC divested a portion of its interest and currently controls approximately 34% of KMC.
- 113. Through its network of more than 820 dealerships nationwide, Hyundai America sells and services its vehicles, including the Hyundai Elantra (Hyundai's bestselling model), Hyundai Santa Fe, Hyundai Tucson, and Hyundai Accent. Likewise, Kia America sells and services a complete line of vehicles in the U.S. through its own network of over 700 dealers.
- 114. Collectively, Defendants are the world's fifth-largest automaker. Defendants reported global sales of 7.19 million vehicles in 2019.²²
 - 115. Within the United States alone, Hyundai America sold an average of 617,420

²¹ E.g., https://worldwide.kia.com/na/sportage (last accessed July 16, 2021).

²² https://www.reuters.com/article/us-hvundai-motor-sales/hvundai-kia-salesdrop-to-seven-year-low-on-china-weakness-forecast-better-2020-idUSKBN1Z10AC (last accessed July 15, 2020).

vehicles per year since 2006, approximately 4% of the total U.S. market:²³

Year	Vehicles Sold	Market Share
		(%)
2006	455,520	2.75
2007	467,009	2.89
2008	401,742	3.03
2009	435,064	4.17
2010	538,228	4.64
2011	645,691	5.05
2012	703,007	4.85
2013	720,783	4.63
2014	725,718	4.39
2015	761,710	4.36
2016	768,057	4.38
2017	664,943	3.86
2018	667,634	3.85
2019	688,771	4.03

116. Over the same time period, Kia America sold an average of 483,293 vehicles per year, or approximately 3.1% of the U.S. market:²⁴

Year	Vehicles Sold	Market Share (%)
2006	294,302	1.78
2007	305,473	1.89
2008	273,397	2.06
2009	300,063	2.88
2010	366,268	3.16
2011	485,492	3.8
2012	557,599	3.85
2013	535,179	3.43
2014	580,234	3.51
2015	625,818	3.58
2016	647,598	3.69
2017	589,668	3.42
2018	589,673	3.4
2019	615,338	3.6

²³ https://carsalesbase.com/us-hyundai/ (last accessed July 15, 2021).

²⁴ https://carsalesbase.com/us-kia/ (last accessed July 15, 2021).

117. Additionally, a recent report by McKinsey & Company found that over twice as many second-owner used vehicles are sold in the United States each year compared to new vehicles.²⁵

118. Defendants have been able to transform themselves into such large players in the U.S. auto-market based on its assurances to consumers of care and quality. For example, HMC touts itself as being "committed to becoming a lifetime partner in automobiles and beyond[.]"²⁶

119. On HMC's webpage devoted to promoting its vehicles sold around the world, including those sold by Hyundai America, HMC touts the safety of its vehicles.²⁷ HMC states that "[w]hile having constant effort on car safety, Hyundai drives the adoption of new technologies."²⁸ HMC further advertises that "[f]rom the moment you step into a Hyundai Motor's vehicle, safety surrounds you from all corners at every second, even in places you never imagined."²⁹

120. In Hyundai America's public statements, it poses a question: "What if [a car company] cracked the entire industry wide open, peered more deeply into it, spread out all its parts, and questioned their every detail?... At Hyundai, we ask ourselves the

²⁵ https://www.mckinsey.com/industries/automotive-and-assembly/our-insights/used-cars-new-platforms-accelerating-sales-in-a-digitally-disrupted-market# (last accessed July 15, 2021).

²⁶ https://www.hyundai.com/worldwide/en/company/news/news-room/news/hyundai-motor-reports-december-2019-global-sales-0000016366 (last accessed July 15, 2021).

²⁷ *E.g.*, https://www.hyundai.com/worldwide/en/suv/tucson/safety (last accessed July 16, 2021).

²⁸ https://www.hyundai.com/worldwide/en/company/innovation/safety/inside (last accessed July 16, 2021).

²⁹ https://www.hyundai.com/worldwide/en/company/innovation/safety/research (last accessed July 16, 2021).

important questions every day. And, every day, we seek the best answers. It's what makes us grow as a car company. It's what makes us Hyundai."³⁰ Similarly, in the sale brochure for the 2008 Entourage, the company again asks "If you created your own car company, you wouldn't make safety an option. Neither did we." Hyundai America goes on to state that it "filled [the vehicle] with cutting-edge active safety features that work dynamically with input from you and the road to help prevent an accident. Which is why the Entourage is an ideal choice to help protect you, your passengers and your peace of mind. Just like you'd expect from your own car company."³¹ Among select group of features highlighted by Hyundai America, the ABS was touted as a key "Active Safety" feature.

121. In Hyundai America's 2019 Hyundai Tucson brochure, the company states that vehicle includes "more standard safety features" and that it is "flush with ...advanced safety technologies." The 2017 Tucson brochure states that the vehicle contains "[a]n arsenal of advanced safety features like optional Automatic Emergency Braking" that are "class-leading." Braking" that are "class-leading."

122. Likewise, Kia America advertises that it "believe[s] in the outstanding quality and durability of every new Kia that rolls off the assembly line" and that "[f]rom design to technology, materials to safety features, Kia continues to innovate[.]"³⁴

123. Kia America claims that "Kia engineers are passionate about producing

³⁰ https://www.hyundainews.com/en-us/about-us (last accessed July 15, 2021).

³¹ https://www.auto-brochures.com/makes/Hyundai/Entourage/Hyundai_US%20Entourage_2008.pdf (last accessed July 15, 2021).

³² https://secure.viewer.zmags.com/publication/2f65b9a9#/2f65b9a9/16 (last accessed July 16, 2021).

³³http://viewer.zmags.com/publication/006d43a3?cs:o=%272017_Certifed_Tucs on_Brochure%27#/006d43a3/1 (last accessed July 15, 2021).

³⁴ https://www.kia.com/us/en/why-kia (last accessed July 15, 2021).

vehicles that are exceptionally well designed and reliable. Their dedication to quality and attention to detail give Kia the confidence to back every model with an industry-leading warranty program."³⁵

124. Kia America's promotional material similarly touts its dedication to safety. In Kia America's brochure for the 2015 Kia Sorento, the company claims that the vehicle is "equipped with advanced safety features" and "systems that help give you peace of mind every time you drive[.]" Kia America also states in the 2014 Sorento brochure that the vehicle "is also equipped with advanced active and passive safety features designed to ensure your peace of mind[.]" 37

125. In promotional materials for the 2009 Sedona issued from "Irvine, Calif.", Kia America touted the minivan as "class-leading [in] safety" and offers "exceptional standard safety," such as "[a] four-channel, four-sensor, antilock brake system (ABS)." And in the 2009 Sorrento brochure, Kia America promises "Safety first, Safety always." ³⁹

126. Today, over half the cars HMC sells in the United States are designed and manufactured domestically at Hyundai America's facilities, including at its "design, research, and testing grounds in California" near its corporate headquarters. 40 In total,

³⁵ https://manualzz.com/doc/7136122/kia-2015-sorento-brochure---dealer-e (last accessed July 15, 2021).

³⁶ https://manualzz.com/doc/7136122/kia-2015-sorento-brochure---dealer-e (last accessed July 15, 2021).

 $^{^{\}rm 37}$ https://cdn.dealereprocess.org/cdn/brochures/kia/2014-sorento.pdf (last accessed July 15, 2021).

³⁸ https://www.kiamedia.com/us/en/media/pressreleases/3587/2009-kia-sedona (last accessed July 15, 2021).

³⁹ https://www.veikl.com/d/Kia-Sorento-Brochure-2009-EN-12278/7 (last accessed July 15, 2021).

⁴⁰ https://www.hyundainews.com/en-us/about-us (last accessed July 15, 2021).

HMC and Hyundai America employ approximately 5,000 people at these facilities, and an additional 20,000 employees at U.S. dealerships.

127. Hyundai and Kia branded vehicles share many of the same products and the same group of engineers work on Hyundai and Kia vehicles at Hyundai-Kia America Technical Center, Inc. ("HATCI").⁴¹

128. Hyundai and Kia vehicles may also be rebranded or "rebadged" versions of the other brand's vehicles. For example, the Hyundai Entourage "is identical to the [Kia] Sedona, except for cosmetics and the packaging of a few features." The engines are the same in these vehicles, the climate controls are placed in the same locations, even the number of cupholders (14) are identical.

129. Additionally, other than design aesthetics, vehicle models do not drastically change year to year.⁴³ Instead, Hyundai and Kia vehicles are typically updated every four to five years, when the next "generation" of the model is released.⁴⁴ For example, the third generation of the Hyundai Tucson was introduced with the 2016 model and ended with the 2021 model, and the 2022 model introduced the fourth generation of the

⁴¹ https://www.forbes.com/sites/jimhenry/2013/05/31/balancing-act-hyundai-and-kia-share-products-under-the-skin-but-must-avoid-blurring-identities/?sh=210585421c7a (last accessed July 14, 2021); https://www.hyundainews.com/en-us/releases/398 (last accessed July 14, 2021).

⁴² Michelle Krebs, *Hyundai Entourage and Kia Sedona: American Pie From a Korean Kitchen*, N.Y. Times (Nov. 12, 2006), *available at* https://www.nytimes.com/2006/11/12/automobiles/autoreviews/12AUTO.html (last accessed July 15, 2021).

⁴³ https://www.carindigo.com/hyundai/tucson-vs-kia-sorento (last accessed July 15, 2021).

⁴⁴ https://www.conceptcarcredit.co.uk/different-car-generations-which-model-choose/ (last accessed July 15, 2021).

vehicle.45

130. Because Hyundai and Kia vehicles are often rebadged vehicles, they frequently use identical and interchangeable parts. That is why when Hyundai America announces a recall of its vehicles an identical Kia recall is typically announced shortly thereafter, or vice versa. For example, in 2013, Hyundai and Kia recalled 1.7 million vehicles across thirteen models which shared the same defective brake light switches. The *Los Angeles Times* noted that the "massive recall of 1.7 million vehicles…was a sign of what can go wrong when parts are shared by" Hyundai and Kia.

B. ABS control modules are intended to prevent car wheels from locking and cars from skidding out of control.

- 131. Cars today have become sophisticated technological and mechanical machines that rely upon electronic controls to regulate numerous safety features. One such feature is the elimination of brake lockups through ABS modules.
- 132. Developed in the 1980s, NHTSA now requires that all vehicles sold in the United States include anti-lock brakes, which are central to a vehicle's electronic stability control.⁴⁷
- 133. An ABS is an automatic system that prevents the vehicle from skidding when the driver applies the brakes and when the brakes are not applied.

⁴⁵ https://www.carsdirect.com/hyundai/tucson/generations (last accessed July 15, 2021); https://www.mvhyundai.com/blog/is-the-2021-hyundai-tucson-reliable/ (last accessed July 15, 2021).

⁴⁶ Ronald White, *Big Hyundai recall a sign of what can happen when parts are shared*, Los Angeles Times (April 3, 2013), *available at* https://www.latimes.com/business/la-xpm-2013-apr-03-la-fi-hy-hyundai-kia-motors-recall-20130403-story.html (last accessed July 15, 2021).

⁴⁷ https://www.nhtsa.gov/sites/nhtsa.dot.gov/files/esc_fr_03_2007.pdf (last accessed July 16, 2021).

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134. An ABS is made up of the wheel sensors and the control module, which connect to the vehicle's hydraulic brake system. The ABS control module "consists of the Hydraulic Control Unit ('HCU': hydraulic block with valve, integrated pump with electric motor, low pressure storage system) and the Electronic Control Unit ('ECU': coil carrier with electronic control unit)."48 "The ABS control [module] is also referred to as the 'HECU', due to the combination of these two components."

135. Hyundai and Kia use the terms ABS module and HECU interchangeably when referring to the same component. For instance, when Hyundai America recalled 2016-2021 Tucson vehicles as part of the December 2020 Recall, it told drivers that it was "conducting a safety recall in the United States to address a condition with the Antilock Brake System ('ABS') modules" found in those models and that it would "install a fuse kit into the ABS module" to remedy the defect. 49 And in other documents filed in connection with the same Recall, Hyundai states that "the ABS brake hydraulic electronic control unit[s] (HECU)" found in those vehicles contain the defect.⁵⁰ Indeed, Hyundai and Kia each identify ABS control modules (also referred to as "Hydraulic Unit Assy" or "ABS Assembly") with the same five digit prefix (58920) for the "Part

⁴⁸ https://www.my-cardictionary.com/abs-control-unit.html (last accessed July 15, 2021).

⁴⁹ https://static.nhtsa.gov/odi/rcl/2020/RCONL-20V543-0565.pdf (last accessed July 14, 2020).

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V543-8816.PDF (last accessed July 15, 2021); https://static.nhtsa.gov/odi/rcl/2020/RCRIT-20V543-5288.pdf (last accessed July 15, 2021).

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Number."⁵¹ Further, Hyundai America has described the ABS module as the "[h]ydraulic controller for the ABS" in NHTSA filings.⁵²

136. ABS control modules contain microprocessors that run diagnostic checks on wheel-speed sensors and the hydraulic brake system to determine when to release braking pressure at a wheel that is about to lock up and start skidding.⁵³ For instance, if the ABS control module detects that the driver is applying the brakes too strongly, it adapts the braking pressure in order to prevent the wheels from locking and the car from skidding out of control.

137. ABS control modules are typically located in the vehicle's engine compartment, while the wheel speed sensors are attached to the tires, near the brake rotors. The ABS control module is connected to and powered by the vehicle's electrical fuse box.

138. When an ABS is not functioning properly, a warning indicator light located on the driver's dashboard is supposed to illuminate. Depending on the vehicle and the issue detected, brake function may be impaired if the warning light is flashing.

139. The ABS control module has an electrical current running through it when operated, and thus, must be sealed in order to avoid moisture entering into its circuits. A

⁵¹ *E.g.*, https://static.nhtsa.gov/odi/rcl/2020/RCRIT-20V519-7083.pdf (Kia's "Remedy Instructions and TSB" filed with NHTSA as part of the Summer 2020 Recall) (last accessed July 15, 2021); https://static.nhtsa.gov/odi/rcl/2021/RCRIT-21V303-2514.pdf (Hyundai's "Remedy Instructions and TSB" filed with NHTSA as part of the Summer 2020 Recall) (last accessed July 15, 2021); https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V160-1906.PDF (last accessed July 15, 2021).

⁵² See https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V160-1906.PDF (last accessed July 15, 2020).

⁵³ https://www.cars.com/articles/abs-system-what-you-need-to-know-1420684516441/ (last accessed July 16, 2021).

proper and durable seal is necessary to avoid corrosion on the module's circuit board, which can lead to electrical short circuit fires.

C. Defendants manufactured and sold over a million Defective Vehicles with a deadly Defect.

140. The ABS control modules found in the Defective Vehicles are defective in two regards. First, the control modules remain charged with an electrical current when the car is on and off. Second, the ABS control modules allow moisture to enter and/or accumulate within the electrified components.

141. These two defects create a potentially lethal situation where moisture can enter the electrical circuit of the ABS control module while the unit is energized, creating a short circuit. Once the short circuit occurs, there is a high likelihood that a fire erupts in the engine compartment of each Defective Vehicle.

142. Most worrisome about the Defect—and precisely why it is so dangerous—is that it still poses a fire risk when the car is not on and it has been parked for days. Thus, the Defect poses a serious risk to drivers, as well as all property owners in the vicinity of any parked Defective Vehicle which can erupt at any moment, without notice.

143. Complaints submitted to NHTSA reveal shocking reports of Defective Vehicles catching on fire without explanation, including while cars were off and without collisions.

144. Below are just a few exemplar complaints filed with NHTSA related to noncollision fires in Defective Vehicles caused by the Defect:⁵⁴

2010 Hyundai Elantra
 NHTSA ID No.: 10536612⁵⁵

⁵⁴ Emphasis added throughout unless stated otherwise.

⁵⁵ NHTSA complaints are publicly available online and searchable by NHTSA ID Number at https://www.nhtsa.gov/recalls.

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Filed: August 22, 2013Summary of Complaint:

I PUT MY 2010 HYUNDAI ELANTRA IN THE GARAGE ABOUT 11:00 PM ON SUNDAY NIGHT AUGUST 11, 2013. AT ABOUT 01:00 AM **ON AUGUST 12, 2013 I WAS** AWAKENED WITH MY ENTIRE GARAGE ON FIRE. THE FIRE APPEARED TO COME FROM THE FRONT OF THE ELANTRA, AS BOTH FRONT TIRES WERE COMPLETELY BURNED WITH ONLY STEEL WIRES WRAPPED AROUND WHEELS. ENGINE IS WARPED AND BURNED. ENTIRE FRONT END MELTED. I LOST MY GARAGE AND CONTENTS ALONG WITH KAYAKS ON KAYAK TRAILER PARKED BESIDE GARAGE. BOTH NEIGHBORS' PRIVACY FENCES WERE BURNED DOWN BEHIND AND BESIDE MY GARAGE. THE ELANTRA BURNED COMPLETELY FROM THE FIRE. NO STEERING WHEEL OR UPHOLSTERY LEFT. ALL ALUMINUM PARTS MELTED. RADIATOR MELTED. WIRES MELTED. EVEN THE BATTERY WAS MELTED.

• 2007 Hyundai Elantra

- o NHTSA ID No.: 10548924
- o Filed: October 22, 2013

Summary of Complaint:

THE CONTACT OWNS A 2007 HYUNDAI ELANTRA. THE CONTACT STATED THAT THE VEHICLE BECAME ENGULFED IN FLAMES. THE FIRE DEPARTMENT WAS CALLED TO EXTINGUISH THE FIRE. A FIRE REPORT WAS NOT FILED HOWEVER, THE FIRE DEPARTMENT DID CONCLUDE THAT THE FIRE ORIGINATED FROM ELECTRICAL WIRES AND CABLES. THE VEHICLE WAS TOWED TO AN INDEPENDENT MECHANIC BUT HAD NOT BEEN INSPECTED OR REPAIRED. THE MANUFACTURER WAS NOT NOTIFIED OF THE FIRE.

• 2007 Hyundai Elantra

- o NHTSA ID No.: 10548829
- o Filed: October 21, 2013
- Summary of Complaint:

VEHICLE CAUGHT FIRE AFTER SITTING OFF FOR 5
HOURS. FIRE DEPARTMENT DETERMINED THAT
FIRE ORIGINATED IN ENGINE COMPARTMENT. NO
INDICATION OF ARSON. PROBABLE CAUSE OF FIRE
ELECTRICAL WITHIN ENGINE COMPARTMENT.
VEHICLE WAS IN EXCELLENT CONDITION, NEVER
HAD ANY PROBLEMS AND WAS NEVER IN AN
ACCIDENT. NO RECALLS ISSUED FOR ELECTRICAL

ISSUES IN ENGINE COMPARTMENT. VEHICLE WAS 1 PURCHASED NEW. NO PREVIOUS OWNER. *TR 2 2007 Hyundai Elantra 10956981 o NHTSA ID No.: 3 o Filed: February 25, 2017 4 Summary of Complaint: COLD CAR CATCHES ON FIRE TOTAL LOST. WAS 5 PARKED ON MY DRIVEWAY 6 2008 Hyundai Elantra 7 o NHTSA ID No.: 11139165 o Filed: October 9, 2018 8 Summary of Complaint: THIS LAST OCTOBER (2017), I WAS WOKEN UP BY 9 NEIGHBORS INFORMING US THAT SMOKE WAS COMING FROM OUR GARAGE. THERE WAS A FIRE 10 THAT STARTED IN THE ENGINE BAY OF MY 2008 11 (REGULARLY MAINTENANCED) HYUNDAI ELANTRA, AND TOTALED MY CAR, MY WIFE'S CAR, AND 12 EXTENSIVELY DAMAGED MY GARAGE (\$15,000 WORTH). THE VEHICLE SHOWED NO SIGNS OF IT 13 ACTING STRANGELY AT ALL. THE FIRE DEPARTMENT CHALKED IT UP TO A "UNEXPLAINED ELECTRICAL 14 FIRE" AS IT SEEMED LIKE IT STARTED FROM 15 AROUND WHERE THE BATTERY WAS. 16 2008 Hyundai Elantra o NHTSA ID No.: 11075623 17 o Filed: March 1, 2018 18 Summary of Complaint: CAR CAUGHT ON FIRE IN THE MIDDLE OF THE 19 NIGHT, WHILE PARKED ON MY DRIVEWAY THE ENTIRE DAY. FIRE DEPARTMENT SAID THE CAUSE OF 20 FIRE IS UNKNOWN BUT IT APPEARED TO HAVE START 21 AT THE LEFT SIDE OF THE HOOD. 22 2008 Hyundai Elantra o NHTSA ID No.: 11311505 23 o Filed: February 25, 2020 24 Summary of Complaint: WHILE DRIVING HOME ON THE HIGHWAY AFTER A 25 RAINY DAY, THE ABS LIGHT AND PARKING BRAKE LIGHTS CAME ON. I CHECKED THE PARKING BRAKE; 26 IT WAS NOT ENGAGED. THE CAR SEEMED TO BE BRAKING ON ITS OWN AS I CONTINUED TO DRIVE.

UPON ARRIVING HOME, THERE WAS SOME SMOKE

COMING FROM THE LEFT FRONT WHEEL WHICH,

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AFTER IT DISSIPATED, I ASSUMED TO BE HOT, LOCKED UP BRAKES. ABOUT AN HOUR LATER MY HOUSEMATE CALLED TO ME FROM THE LIVING ROOM TELLING ME MY CAR WAS ON FIRE AND TO CALL 9-1-1. THE CAR WAS PARKED IN FRONT OF MY HOUSE, UNDER A MAGNOLIA TREE. THE FLAMES ENGULFED THE ENTIRE FRONT END OF THE CAR. WERE ABOUT 4-5FT HIGH. THE DEPARTMENT CAME AND HOSED THE CAR DOWN. TAKING ABOUT AN HOUR TO PUT OUT THE BLAZE. THE FRONT TIRES WERE FLAT, HAD MELTED, AND THE ENTIRE FRONT END WAS DECIMATED. THE DRIVERS SIDE OF THE WINDSHIELD HAD SHATTERED FROM THE FIRE, AND THE DRIVERS FLOORBOARD HAD BURNED THROUGH TO THE CABIN. THE ENTIRE CABIN IS DAMAGED FROM THE THE DRIVERS SIDE VISOR SMOKE, THROUGH. WHILE THERE IS DAMAGE TO THE ENTIRE FRONT END, THE DRIVERS SIDE IS WORSE, AND THE DRIVERS SIDE OF THE ENGINE COMPARTMENT APPEARS TO HAVE THE MOST DAMAGE. THERE IS NO VISIBLE FUSE BOX OR BATTERY AFTER THE FIRE

- 2008 Hyundai Elantra
 - o NHTSA ID No.: 11258901
 - o Incident Date September 28, 2019
 - Summary of Complaint:

MY DAUGHTER'S 2008 HYUNDAI ELANTRA WAS PARKED ON THE STREET OUTSIDE HER APARTMENT COMPLEX. THE FRONT OF THE CAR CAUGHT ON FIRE AFTER THE CAR HAD BEEN PARKED FOR ABOUT 30-35 HOURS.

- 2009 Hyundai Elantra
 - o NHTSA ID No.: 11162908
 - o Filed: December 21, 2018
 - Summary of Complaint:

STARTED THE CAR AND MOTOR/ENGINE CAUGHT FIRE. IT WAS THE MORNING OF 12/18/18. IT WAS PARKED IN FRONT OF MY MOMS HOUSE (ON THE STREET).

- 2011 Hyundai Elantra
 - o NHTSA ID No.: 11222746
 - o Filed: June 26, 2019
 - Summary of Complaint:

THE VEHICLE CAUGHT FIRE WHILE PARKED IN THE FAMILY GARAGE. THERE WERE NO INJURIES AND

THE FIRE DEPARTMENT PUT OUT FIRE. A FIRE REPORT AND A POLICE REPORT WERE FILED. SMOKE FILLED THE HOME AND THE GARAGE DRYWALL CEILING HAD COLLAPSED AND BLACKENED THE INTERIOR OF THE GARAGE. THERE WAS EXTENSIVE SMOKE DAMAGE TO THE INTERIOR OF THE HOUSE.

2008 Hyundai Elantra

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- NHTSA ID No.: 11176655Filed: February 12, 2019
- o Summary of Complaint:

AFTER SITTING FOR 43 HOURS IN OUR DRIVEWAY HYUNDAI ELANTRA **CAUGHT** 2008 STARTING ON THE DRIVER'S SIDE OF THE ENGINE COMPARTMENT AND CONTINUED ACROSS AND THROUGH THE VEHICLE. IT SHOULD BE NOTED THE **SMOKING** ISSUE **VEHICLE** HAD \boldsymbol{A} COMPARTMENT A MONTH PREVIOUS AND WAS TAKEN TO THE HYUNDAI SHOP AND A REPAIR ESTIMATE PROVIDED THAT INCLUDED THE MASTER CYLINDER AND THE ANTILOCK BRAKE SYSTEM. AT THAT TIME WHEN THE SMOKE INCIDENT HAPPENED THE ANTILOCK SYSTEM ENGAGED AND THE BRAKE PEDAL WENT TO THE FLOOR. I OBSERVED WHERE THE SMOKE WAS COMING FROM AND POINTED AT THE ABS BLOCK TO THE SERVICE MANAGER. VEHICLE WENT BACK INTO USE AND I ORDERED PARTS. INSTALLED MASTER CYLINDER BUT ABS **PARTS** DID NOT ARRIVE **BEFORE VEHICLE** IMMOLATED ITSELF. IN THE 43 HOUR NON USE GAP. THE VEHICLE DID NOT HAVE THE REMOTE ENTRY FOB USED NOR ANY KEY ENTRY. FIRE DEPARTMENT PUT THE CAUSE AS BEING AN ELECTRICAL FIRE.

- 2009 Hyundai Elantra
 - o NHTSA ID No.: 11140848
 - o Filed: October 17, 2018
 - Summary of Complaint:

ON 09/17/2018 I WOKE UP AROUND 5 AM TO FIND THE ELANTRA FULLY ENGULFED IN FLAMES IN THE FRONT END. IT WASN'T RUNNING, NOTHING LEFT ON, IT HAD NOT BEEN RUN FOR 4 HOURS SO THE ENGINE SHOULD HAVE BEEN COLD. NO DRIVABILITY PROBLEMS BEFORE. POLICE AND FIRE DEPARTMENT RESPONDED, PUT THE FIRE OUT AND STATED THAT THEY SAW NOTHING SUSPICIOUS ABOUT THE FIRE AND THAT I SHOULD CHECK ON PROBLEMS WITH HYUNDAI. THIS CAR ONLY HAD

1 2 3 HAVE CAUGHT FIRE. IT WAS A TOTAL LOSS. 4 2007 Hyundai Elantra 5 o NHTSA ID No.: 11325178 **Filed:** May 19, 2020 6 Summary of Complaint: 7 **ELANTRA** 8 9 10 11 12 13 BRAKES, HYDRAULIC) BY14 15 16 17 18 2007 Hyundai Elantra NHTSA ID No.: 11310173 19 Filed: February 19, 2020 Summary of Complaint: 20 21 22

70000 MILES ON IT WITH A 10 YEAR 100000 MILE WARRANTEE . I WENT TO THE DEALER, THEY TOLD ME IT WAS NOT COVERED WITHOUT EVEN LOOKING AT IT. THIS CAR WAS COLD, PARKED, NOTHING ON, NO KEYS IN IT, I DON'T SEE ANY REASON IT SHOULD

WHILE THE STEPSON'S VEHICLE A 2007 HYUNDAI WAS PARKED IN FRONT APARTMENT COMPLEX, THE VEHICLE CAUGHT ON *FIRE*. THE CONTACT WAS ALERTED BY THE FIRE DEPARTMENT WHOM EXTINGUISHED THE FIRE AND FILED A REPORT. THE CONTACT STATED THAT THE ENGINE COMPARTMENT WAS BURNT. THERE WAS NO WARNING INDICATORS ILLUMINATED PRIOR TO THE FAILURE. THE VEHICLE WAS TOTALED. THE CONTACT STATED THAT HE WAS INFORMED OF NHTSA CAMPAIGN NUMBER: 20V061000 (SERVICE THE **INSURANCE** COMPANY HOWEVER, THE VIN WAS NOT INCLUDED RECALL. THE CONTACT CALLED AN UNKNOWN HYUNDAI DEALER IN ORLANDO, FL AND WAS REFERRED TO THE MANUFACTURER. THE CONTACT CALLED THE MANUFACTURER SEVERAL TIMES AND WAS UNABLE TO REACH A LIVE AGENT.

SOME TIME BETWEEN APPROXIMATELY BETWEEN 12:00 AM AND 4:00 AM ON 2/1/2020, THE VEHICLE CAUGHT FIRE ON IT'S OWN (IT WAS PARKED AND OFF) AND BADLY BURNED OUR GARAGE/HOME CAUSING EXTENSIVE PROPERTY DAMAGE TO THE GARAGE AND INTERIOR OF OUR HOME.

2007 Hyundai Elantra

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- o NHTSA ID No.: 11051523
- o Filed: November 30, 2017
- Summary of Complaint:

MY CAR SPONTANEOUSLY CATCH FIRE ON ITS OWN. THE CAR PARKED ON MY FRONT YARD FOR AT LEAST 3 HOURS. IT WENT AFLAME, THE WHOLE ENGINE WAS DESTROYED. EVERY THING CAUGHT ON HOME SECURITY CAMERA.

• 2008 Hyundai Elantra

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- o NHTSA ID No.: 10875551
- o Filed: June 21, 2016
- Summary of Complaint:

TL* THE CONTACT OWNED A 2008 HYUDAI ELANTRA. WHILE PARKING THE VEHICLE AFTER DRIVING FOR APPROXIMATELY FIVE MINUTES, IT CAUGHT ON FIRE. THE FIRE DEPARTMENT EXTINGUISHED THE FIRE AND FILED A REPORT.

- 2008 Hyundai Elantra
 - o NHTSA ID No.: 10993003
 - o Filed: June 3, 2017
 - Summary of Complaint:

DROVE CAR TO GROCERY STORE 6 MILE ROUND TRIP PARKED CAR IN GARAGE AT 10:15 AM. I PERFORMED YARD WORK IN FRONT OF AND WAS IN AND OUT OF GARAGE FOR 4 HOURS. AT NO TIME WAS THERE A HINT OF SMOKE OR BURNING. THEN CUT GRASS FOR 2 HOURS. AT ABOUT 4 PM SMOKE WAS BILLOWING OUT OF THE GARAGE. I OBSERVED FLAMES AND SMOKE COMING FROM AROUND THE FRONT HOOD. UNABLE TO LIFT HOOD TO REACH FIRE SOURCE WITH EXTINGUISHERS OR GET CAR INTO NEUTRAL TO PUSH OUT OF GARAGE. I WAS DRIVEN BY SMOKE AND FLAME OUT OF GARAGE. BOTH THE 2008 HYUNDAI AND ANOTHER VEHICLE IN THE TWO CAR **GARAGE BURNED COMPLETELY.** ALL CONTENTS IN GARAGE DESTROYED EXTENSIVE SMOKE DAMAGE HOUSE. FIRE THROUGHOUT **FORENSIC** INVESTIGATOR THINKS IT WAS CAUSED BY THE **BATTERY** BUT THERE WAS TOO MUCH DAMAGE TO MAKE MUCH OF AN INFORMED COMMENT AS TO PRECISE REASON CAR CAUGHT FIRE. REASON FOR FIRE IS UNKNOWN.

- 2007 Hyundai Elantra
 - o NHTSA ID No.: 11051523
 - o Filed: November 30, 2017
 - Summary of Complaint:

MY CAR SPONTANEOUSLY CATCH FIRE ON ITS OWN. THE CAR PARKED ON MY FRONT YARD FOR AT LEAST 3 HOURS. IT WENT AFLAME, THE WHOLE ENGINE WAS DESTROYED. EVERY THING CAUGHT ON HOME SECURITY CAMERA.

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• 2008 Hyundai Elantra

o NHTSA ID No.: 11321087

o Filed: April 14, 2020

Summary of Complaint:

MY 2008 HYUNDAI CAUGHT FIRE IN MY GARAGE ON FEBRUARY 18, 2020. THE FIRE DESTROYED MY CAR AND MY GARAGE. MY NEIGHBOR HAPPENED TO BE TAKING HIS DOG OUT AT 4:00 AM AND SMELLED SMOKE. HE LOOKED OVER AND SAW SMOKE COMING OUT OF MY GARAGE.HE FRANTICALLY RANG THE DOORBELL, WOKE ME AND MY HUSBAND UP AND WE CALLED 911. WE COULD HAVE DIED AS A RESULT.

2009 Kia Sportage

- o NHTSA ID No.: 11192437
- o Filed: March 29, 2019
- Summary of Complaint:

A FIRE STARTED IN THE ENGINE COMPARTMENT ON THE PASSENGER SIDE APPROXIMATELY 45 MINUTES AFTER PARKING

• 2009 Kia Sportage

- o NHTSA ID No.: 11129191
- o Filed: September 12, 2018
- Summary of Complaint:

ON TUESDAY AUGUST 28TH 2018 MY CAR WAS PARKED IN AN APARTMENT PARKING LOT, AND HAD BEEN OFF FOR 4 HOURS. I WOKE UP TO MY CAR ALARM GOING OFF AT 12AM. I LOOKED OUT THE WINDOW AND THE LIGHTS WERE NOT FLASHING ON MY CAR SO I DIDN'T THINK IT MINE. NOT MORE THAN 1 MINUTE LATER MY CAR STARTED ON FIRE. THANK GOODNESS MY BOYFRIEND WAS A FIREFIGHTER. HE CALLED 911 AND THE FIRE WAS PUT OUT WITH 15 MINUTES. HOWEVER MY CAR WAS DETERMINE A TOTAL LOSS. ALL THEY COULD TELL ME WAS THAT *IT LOOKED LIKE IT WAS AN ELECTRICAL FIRE.* NO ONE WAS HURT, BUT HAD I BEEN AT HOME THAT NIGHT IN MY DUPLEX WHO I SHARE WITH MY NEIGHBORS AND THEIR INFANT, AND PARKED IN MY GARAGE MY HOUSE WOULD HAVE BEEN BURNED *AND I WOULD BE DEAD*. IT WAS A 2009 KIA SPORTAGE AND I HAD NEVER HAD A SINGLE ISSUE WITH THE CAR IN THE 9 YEARS THAT I OWED IT. I WAS THE ONLY OWNER SO I KNEW MY CAR WAS WELL TAKEN CARE OF. WITH KIA IN THE NEWS A LOT LATELY

WITH CAR FIRES I CAN'T HELP BUT FEEL THERE SHOULD BE AN INVESTIGATION.

2009 Kia Sportage

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- o NHTSA ID No.: 10532051
- o Filed: July 26, 2013
- Summary of Complaint:

TL* THE CONTACT OWNS A 2009 KIA SPORTAGE. THE CONTACT STATED THAT WHILE PARKED. THE VEHICLE CAUGHT ON FIRE WITHOUT WARNING. A POLICE REPORT WAS FILED AND THE VEHICLE WAS TOWED TO A INDEPENDENT MECHANIC. THE **MENTIONED** CONTACT THE VEHICLE WAS INSPECTED BY AN INSURANCE ADJUSTER, WHO CONCLUDED THAT THE FIRE ORIGINATED IN THE REAR DASHBOARD AREA.

- 2008 Hyundai Entourage
 - o NHTSA ID No.: 11110123
 - o Filed: July 8, 2018
 - Summary of Complaint:

VEHICLE WAS PARKED IN THE DRIVEWAY, NOT DRIVEN FOR APPROXIMATELY ONE WEEK. THE ENGINE COMPARTMENT STARTED SMOKING THEN ERUPTED IN FLAMES

- 2008 Kia Sorento
 - o NHTSA ID No.: 11128582
 - o Filed: September 10, 2018
 - o Summary of Complaint:

SUNDAY SEPT 9TH AT AROUND 9 - 9:30 AM I SMELLED SMOKE AND WALKED AROUND THE HOUSE AND SMELLED THAT IT WAS COMING FROM THE **GARAGE**. WHEN I OPENED THE DOOR **I SAW FLAMES** UNDERNEATH THE CAR AND SMOKE AND FIRE ON TOP OF THE HOOD.... THEY FIRE MARSHALL CAME AND INSPECTED THE VEHICLE IT COULD HAVE **BEEN AN ELECTRICAL PROBLEM.** WHEN I CALLED KIA CUSTOMER SERVICE THEY GAVE ME A CLAIM NUMBER AND THEY TOLD ME WHAT WOULD YOU LIKE KIA DO FOR YOU. THE CUSTOMER SERVICE AGENT SAID THEY WILL GIVE THE CLAIM TO THE RIGHT DEPARTMENT AND THEY WILL GET BACK TO ME IN 3 TO 5 BUSINESS DAYS. THIS HAPPENED WHILE THE CAR WAS PARKED IN THE GARAGE AND IT HADN'T BEEN TURNED ON SINCE FRIDAY.

• 2008 Kia Sorento

o NHTSA ID No.: 11089996

Filed: April 25, 2018Summary of Complaint:

I DROVE MY 08 KIA SORENTO HOME AT ABOUT 730 AM. I WORK NIGHT SHIFT AND WENT TO SLEEP AND WAS WOKEN UP AT 945 BY EMS TO MY CAR UP IN FLAMES. IT WAS SHOWING NO SIGNS OF ANY PROBLEMS, NOT RUNNING HOT, NOTHING. IT WAS PARKED FOR ABOUT AN HOUR WHEN IT WENT UP IN FLAMES. THE FIRE CHIEF WAS ON THE TRUCK THAT DAY AS HE HAD ORIENTEE'S, AND SAID THE FIRE STARTED BEHIND THE STEERING WHEEL/DASH AND THAT IT WAS AN ELECTRICAL ENGINE FIRE WHICH IS STATED ON MY FIRE REPORT. I CONTACTED KIA THEY TOLD ME IT WAS NO WAY IT WAS THEIR PROBLEM AND HAD TO BE A USER ERROR.

• 2006 Kia Sedona

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o NHTSA ID No.: 11321732

o Filed: April 20, 2020

Summary of Complaint:

TL* THE CONTACT OWNS A 2006 KIA SEDONA. THE CONTACT STATED THAT WHEN HER HUSBAND WAS PARKING THE VEHICLE IN HER DRIVEWAY, SHE NOTICED THAT SMOKE BEGAN EMITTING FROM UNDERNEATH THE VEHICLE; MOMENTS LATER, THE VEHICLE CAUGHT FIRE. THE CONTACT WAS UNAWARE IF THERE WERE ANY ILLUMINATED WARNING LIGHTS PRIOR TO THE FAILURE. THE CONTACT WAS ABLE TO GRAB A WATER HOSE AND **FIRE** INDEPENDENTLY. EXTINGUISH THE CONTACT'S HUSBAND, WITH THE HELP OF SOME NEIGHBORS, WAS ABLE TO MANUALLY PUSH THE VEHICLE OUT OF THE DRIVEWAY AND PARK IT ON THE SIDE OF THE STREET. THE CONTACT STATED PRIOR TO THE FIRE, SHE HAD RECEIVED A RECALL NOTIFICATION FOR NHTSA CAMPAIGN NUMBER: 20V088000 (ELECTRICAL SYSTEM, SERVICE BRAKES, HYDRAULIC) HOWEVER, THE PARTS TO DO THE WERE UNAVAILABLE. THE REPAIR CONTACT STATED THAT THE MANUFACTURER EXCEEDED A REASONABLE AMOUNT OF TIME FOR THE RECALL **REPAIR.** THE MANUFACTURER NOR THE DEALER WERE NOTIFIED OF THE FAILURE OR THE RECALL. THE FAILURE MILEAGE WAS UNKNOWN. VIN TOOL CONFIRMS PARTS NOT AVAILABLE.

• 2006 Kia Sedona

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NHTSA ID No.: 11256149Filed: September 17, 2019

Summary of Complaint:

TL* THE CONTACT OWNS A 2006 KIA SEDONA. WHILE DRIVING 10 MPH. THE CONTACT NOTICED SMOKE COMING FROM THE ENGINE WITHOUT WARNING. THE CONTACT PULLED THE VEHICLE OVER AND WAITED A FEW MINUTES TO ALLOW THE ENGINE TO COOL OFF. THE CONTACT ATTEMPTED TO RESTART THE VEHICLE, BUT IT WOULD NOT START. THE CONTACT BEGAN TO NOTICE MORE SMOKE COMING FROM THE VEHICLE AND SMELLED A BURNING PLASTIC ODOR. THE CONTACT REMOVED HERSELF AND HER KIDS FROM THE VEHICLE. THE CHILD'S SCHOOL MAINTENANCE MAN **ASSISTED** CONTACT AND ASKED HER TO OPEN THE VEHICLE'S HOOD. AS THE HOOD WAS OPENED, FLAMES BEGAN TO EMIT FROM THE VEHICLE. THE MAINTENANCE PERSON CALLED THE FIRE DEPARTMENT FOR ASSISTANCE. THE FIRE WAS EXTINGUISHED AND A FIRE REPORT WAS FILED.

2006 Kia Sedona

- o NHTSA ID No.: 11320439
- o Filed: April 7, 2020
- Summary of Complaint:

TL* THE CONTACT OWNS A 2006 KIA SEDONA. THE CONTACT STATED THAT WHILE HIS WIFE WAS DRIVING THE VEHICLE, THE VEHICLE'S ABS WARNING LIGHT SUDDENLY BEGAN TO ILLUMINATE AND THE WARNING SOUNDER BEGAN TO CHIME. AS HIS WIFE BEGAN TO PULL INTO THEIR GARAGE, THE CONTACT NOTICED SMOKE COMING FROM THE UNDER THE HOOD OF THE VEHICLE.

2007 Kia Sedona

- o NHTSA ID No.: 11308166
- o Filed: February 10, 2020
- Summary of Complaint:

MY CAR WAS PARKED IN MY DRIVEWAY, NOT RUNNING, NO KEY IN THE IGNITION, AND HAD NOT BEEN DRIVEN SINCE THE PREVIOUS DAY. ONE OF THE KIDS WENT OUTSIDE TO PLAY AND CAME RUNNING BACK IN TO TELL US THE CAR WAS SMOKING. THERE WAS SMOKING COMING OUT FROM UNDER THE HOOD. MY BOYFRIEND QUICKLY GOT TO IT AND GOT THE BATTERY OUT AND FOUND THE SOURCE AND UNPLUGGED THE ELECTRICAL

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STABILITY CONTROL MODULE (I BELIEVE IS WHAT HE CALLED IT) EITHER WAY, THE PLUG AND WIRES WERE FRIED. THE DEALERSHIP STATED THAT HAD WE NOT SEEN THIS IT WOULD HAVE CAUGHT FIRE. I CALLED THE KIA CORPORATE NUMBER AND THEY TOLD ME SORRY BUT ITS AN OUT OF POCKET EXPENSE, MY CAR IS NOT UNDER WARRANTY AND THERE ARE NO RECALLS. THIS IS NOT THE FIRST 07 KIA SEDONA TO HAVE THIS ISSUE BASED ON THE RESEARCH I HAVE DONE. AND HAD WE BEEN SLEEPING WHEN THIS HAPPENED MY HOUSE COULD HAVE CAUGHT FIRE. HAD THERE BEEN CHILDREN IN THIS AT THE TIME THEY COULD HAVE BEEN INJURED.

2007 Kia Sedona

- o NHTSA ID No.: 11098160
- Filed: May 27, 2018
- Summary of Complaint:

OUR 2007 LOW MILEAGE KIA HAD BEEN PARKED FOR OVER 24 HRS. WHILE SITTING IN OUR DRIVEWAY NOT RUNNING, NO KEYS IN IGNITION, CAUGHT FIRE AND BURNED TO THE GROUND. THE FIRE TRAVELLED TO MY STORAGE BUILDING. WE LOST EVERYTHING IN OUR STORAGE AND OUR VEHICLE. KIA ASSUMES NO FAULT. ATTACHED IS FIRE DEPARTMENT REPORT AND PICS OF THE DAMAGE.

• 2007 Kia Sedona

- o NHTSA ID No.: 11090369
- o Filed: April 26, 2018
- Summary of Complaint:

WHILE MY KIA SEDONA WAS PARKED IN THE DRIVEWAY. HAD BEEN PARKED ABOUT AN HOUR WHEN SMOKE SUDDENLY STARTED COMING FROM UNDER THE HOOD. SOON, THE ENTIRE FRONT END WAS ON FIRE AND LOCAL FIRE DEPARTMENT CAME AND PUT THE FIRE OUT. VEHICLE WAS A TOTAL LOSS. KIA COORPERATE SAYS IT'S NOT THEIR PROBLEM.

• 2008 Kia Sedona

- o NHTSA ID No.: 10875413
- Filed: June 20, 2016
- Summary of Complaint:

ON 05-10-16 MY 2008 KIA SEDONA WAS PARKED IN THE DRIVE WAY. IT WAS NOT ON. IT HAD NOT BEEN DRIVEN FOR MORE THAN 24 HOURS. THE KEY WAS

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NOT IN THE IGNITION. WE WERE REMOVING ONE OF THE BACK PASSENGER SEATS ON THE DRIVER'S SIDE. THE SIDE DOOR HAD REMAINED OPEN. IN THE PAST WE HAD PROBLEMS WITH THE DRIVER'S SIDE SLIDING DOOR, IT WOULDN'T OPEN OR WOULDN'T CLOSE. WHILE REMOVING THE SEAT THE OPEN DOOR INDICATOR (BUZZING) CAME ON. DID NOT KNOW WHY IT CAME ON, THÉ CAR WAS IN PARK AND WAS OFF. A COUPLE OF MINUTES LATER THE SMELL OF SMOKE WAS COMING FROM THE CAR. DID NOT SEE WHERE IT WAS COMING FROM AT FIRST AND THEN SMOKE WAS COMING OUT OF THE ENGINE AREA. THE HOOD WAS OPENED AND THERE WERE FLAMES ON THE DRIVER'S SIDE BEHIND THE STEERING WHEEL. THE FIRE DEPT. WAS CALLED BUT WE WERE ABLE TO PUT THE FLAMES OUT BEFORE IT BECAME DANGEROUS AND CANCELLED THE CALL. THE BATTERY HAD TO BE DISCONNECTED TO AVOID HAVING THE FLAMES START UP AGAIN. THE VEHICLE WAS TOWED TO A KIA DEALER TO INVESTIGATE THE CAUSE. AFTER A FEW DAYS OF WAITING THE DEALER CONCLUDED THE ABS MAY HAVE CAUSED THE FIRE. THE FIRE HAD BURNED THE WIRING HARNESS AND FIRE WALL.

• 2009 Kia Sedona

- o NHTSA ID No.: 11311935
- o Filed: February 27, 2020
- Summary of Complaint:

THE VEHICLE WAS STATIONARY AND A FIRE STARTED SOMEWHERE IN THE ENGINE AND THE WHOLE CAR BURNED.

• 2010 Kia Sedona

- o NHTSA ID No.: 10972249
- o Filed: April 13, 2017
- o Summary of Complaint:

TL* THE CONTACT OWNED A 2010 KIA SEDONA. WHILE DRIVING 65 MPH, THE VEHICLE SUDDENLY ACCELERATED WITHOUT WARNING WHILE THE CRUISE CONTROL WAS ENGAGED. THE BRAKE PEDAL WAS DEPRESSED, BUT FAILED TO STOP THE VEHICLE. IN ADDITION, THE EMERGENCY BRAKES FAILED. THE CONTACT WAS ABLE TO STOP THE VEHICLE BY TURNING THE IGNITION OFF AND REMOVING THE KEY. UPON EXITING THE VEHICLE, A BYSTANDER WAS RUNNING TOWARDS THE VEHICLE WITH A FIRE EXTINGUISHER. THE CONTACT NOTICED FLAMES

UNDER THE FRONT END OF THE VEHICLE. THE FIRE 1 FINALLY EXTINGUISHED BY THE WAS DEPARTMENT. THERE WERE NO INJURIES. A FIRE 2 AND A POLICE REPORT WERE FILED. THE VEHICLE WAS TOWED AND DEEMED A TOTAL LOSS. 3 4 2008 Kia Sportage o NHTSA ID No.: 11204208 5 o Filed: April 28, 2019 Summary of Complaint: 6 CAR WAS SITTING IN DRIVE WAY FOR A DAY AND 7 HALF AT 335 IN THE MORNING ELECTRICAL SHORT STARTED A FIRE WAS CAUGHT ON NEIGHBOR 8 SECURITY CAMERA 9 2006 Hyundai Sonata o NHTSA ID No.: 11114927 10 o Filed: July 31, 2018 11 Summary of Complaint: WHILE DRIVING HIGHWAY SPEEDS, THE VEHICLE 12 MADE AN ABNORMAL NOISE AND SMOKE EMITTED FROM THE ENGINE COMPARTMENT. THE FAILURE 13 **OCCURRED WITHOUT WARNING.** THE CONTACT WAS 14 ABLE TO SAFELY MANEUVER FROM THE HIGHWAY TO A PARKING LOT. THE CONTACT EXITED THE 15 VEHICLE AND OBSERVED FLAMES UNDERNEATH VEHICLE. THE FIRE DEPARTMENT THE 16 CONTACTED AND EXTINGUISHED THE FIRE. 17 2008 Hyundai Azera 18 o NHTSA ID No.: 11072177 o Filed: February 11, 2018 19 Summary of Complaint: FIRE IN ENGINE COMPARTMENT WHILE CAR WAS 20 PARKED & OFF. KEY WAS NOT IN IGNITION. CAR SAT 21 UNUSED FOR APPROX. 48 HOURS PRIOR TO FIRE. 22 2008 Hyundai Azera o NHTSA ID No.: 11202884 23 o Filed: April 22, 2019 24 Summary of Complaint: JANUARY 24, 2018 — HYUNDAI IS RECALLING ABOUT 25 88,000 MODEL YEAR 2006-2011 HYUNDAI AZERA AND 2006 HYUNDAI SONATA CARS BECAUSE THE ENGINE 26 COMPARTMENTS MAY CATCH ON FIRE. ON 1/10/18, 2 WEEKS PRIOR TO THIS RECALL MY 2008 HYUNDAI 27 AZERA CAUGHT FIRE IN MY BASEMENT WHILE IT 28 WAS PARKED AND NO KEY WAS IN THE IGNITION. THIS HAPPENED AT 3:30AM, *OUR ENTIRE HOUSE*, *INCLUDING BOTH OF OUR VEHICLES WERE DESTROYED*. *NOTHING WAS SALVAGEABLE*.

2014 Hyundai Santa Fe Sport

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- o NHTSA ID No.: 11174728
- o Filed: February 6, 2019
- Summary of Complaint:

ABOUT 20 MINUTES AFTER PARKING MY VEHICLE AT AN OFFICE LOCATION, IT CAUGHT ON FIRE, I COULD SEE THE FIRE BY THE RIGHT FRONT WHEEL, BETWEEN THE TIRE AND THE BODY; SMOKE WAS COMING FROM ALL AROUND THE HOOD. WE PUT OUT THE FIRE WITH A FIRE EXTINGUISHER. WE **COULD SEE DAMAGED WIRES**. I HAD NOTICED WARNING LIGHTS ON MY DISPLAY PANEL WHEN I GOT INTO MY VEHICLE TO START DRIVING. I CALLED CLAY COOLEY HYUNDAI OF ROCKWALL AND INFORMED THEM OF THE MESSAGES: BEEPING FOLLOWED BY FLASHING MESSAGES ABOUT ABS, ESC, & DOWNHILL BRAKE CONTROL; PLUS DOWN BELOW WERE TWO RED CIRCLES (EXCLAMATION MARK IN ONE AND THE LETTER P IN THE OTHER) AND THE WORD BRAKE BELOW. I ASKED HYUNDAI IF THE CAR WAS SAFE TO DRIVE AND THEY SAID YES. I PROCEEDED TO MY 12 NOON APPOINTMENT IN RICHARDSON, TX. ABOUT 20 MINS AFTER PARKING THE CAR, THE FIRE WAS NOTICED BY AN EMPLOYEE. THE DAY BEFORE THIS, ON TUE, 01-29-2019, I HAD NOTICED 3 AMBER WARNING LIGHTS (ABS, ESC & DBC). I CALLED HYUNDAI, INFORMED THEM OF THIS AND MADE AN APPOINTMENT FOR THUR JAN 31, 2019 AT 9:30 A.M.

2014 Hyundai Santa Fe Sport

- o NHTSA ID No.: 11163149
- o Filed: December 22, 2018
- o Summary of Complaint:

2014 HYUNDAI SANTA FE SPORT- BRAKE LIGHT/ ABS LIGHT/ HILL DESCENT CONTROL LIGHT CAME ON IN VEHICLE AND AFTER A DAY OR TWO NEVER TURNED OFF. TOOK CAR TO DEALERSHIP AND WAS ASKED TO MAKE APPOINTMENT. THE NEXT DAY A TRIANGLE WITH EXCLAMATION POINT LIGHT TURNED ON ALONG WITH A STEERING WHEEL WITH EXCLAMATION POINT LIGHT AND THE STEERING WHEEL BECAME LOOSE AT THIS TIME. DROVE MYSELF HOME AND AFTER PARKING I TURNED

VEHICLE OFF BUT THE ENGINE CONTINUED TO MAKE HUMMING NOISES LIKE SOMETHING WAS STILL RUNNING. RESTARTED CAR AND THEN TURNED OFF ENGINE AGAIN AND THE NOISE STOPPED. I WENT INSIDE MY HOUSE AND LESS THAN 5 MINUTES LATER THERE WAS A LOUD BANGING ON MY FRONT DOOR- A NEIGHBOR THAT RAN UP TO INFORM ME MY CAR WAS ON FIRE. I COMPLETED REGULAR MAINTENANCE ON THIS VEHICLE AND IT ONLY HAD 35,000 MILES. PLEASE LOOK INTO THIS SITUATION SO THAT NO OTHERS GO THROUGH THIS DEVASTATING SITUATION THAT I FACED TODAY.

• 2019 Hyundai Tucson

- o NHTSA ID No.: 11265995
- o Filed: October 3, 2019
- o Summary of Complaint:

1.3 MILÉS AWAY FROM THE DEALERSHIP I PURCHASED THE 2019 HYUNDAI TUCSON IT STARTED TO SMOKE. 5 MINUTES LATER IT WAS ON FIRE!! IT HAD LESS THAN 400 MILES ON IT AND I[']VE YET TO FIND OUT WHAT EXACTLY CAUSED THE FIRE. HYUNDAI OR THE DEALERSHIP WON[']T TELL ME. THE FIRE CAME FROM THE PASSENGER SIDE UNDER THE HOOD. THE VEHICLE STARTED SMOKING WHEN I ATTEMPTED TO START IT AND CAUGHT ON FIRE WHILE OFF.

- 2015 Kia Optima
 - o NHTSA ID No.: 11203852
 - o Filed: April 26, 2019
 - Summary of Complaint:

JUST PULLED INTO MY JOB CAR WAS IN PARKED. CAR WAS STILL RUNNING HAD ABOUT 45MINS TO SPARE BEFORE CLOCKING IN. NOTICE THE CAR BEGIN TO SMOKE AS I'M SITTING PREPARING MY SELF FOR WORK. NO WARNING SIGNS APPEARED TO NOTIFY ME THAT THE CAR WAS OVERHEATING. TURNED THE ENGINE OFF TO SEE IF CAR WILL COOL DOWN. SMOKE SEEMED TO GET HEAVIER. I GOT OUT THE CAR AND SEEN THERE WAS FIRE UNDERNEATH. IMMEDIATELY I NOTIFIED EMERGENCY OFFICIALS. GOOD SAMARITANS HELPED PUT OUT THE FIRE. EMERGENCY OFFICIALS SAY IT WAS ELECTRICAL THAT CAUSED IT.

- 2013 Kia Optima
 - o NHTSA ID No.: 11194980

o Filed: April 9, 2019 1 Summary of Complaint: MY CAR CAUGHT FIRE SITTING IN MY DRIVEWAY 2 WHEN I WAS ASLEEP AND BURNED TO THE GROUNDI.1 3 4 2013 Kia Optima o NHTSA ID No.: 11186541 5 o Filed: March 11, 2019 Summary of Complaint: 6 MY CAR RANDOMLY CAUGHT FIRE AT 10:30 PM 7 WHILE IT WAS ALREADY SITTING IN MY DRIVE WAY SINCE 7 PM. THE ENTIRE FRONT END OF THE CAR IS 8 NOW MELTED ON MY DRIVEWAY PAVEMENT. PUTTING MY FAMILY AND MY HOUSE AT DANGER. 9 2015 Kia Optima 10 o NHTSA ID No.: 11151352 11 Filed: November 12, 2018 Summary of Complaint: 12 AT APPROXIMATELY 4:30 A.M. ON NOVEMBER 12, 2018. THE ENGINE BECAME FULLY ENGULFED IN 13 FLAMES WHILE THE CAR WAS PARKED ON THE 14 STREET IN FRONT OF OUR HOUSE AND TURNED OFF. NO ONE HAD DRIVEN THE CAR FOR SEVERAL 15 **HOURS.** THE FIRE DESTROYED THE ENTIRE FRONT END OF THE CAR, MELTED THE TIRES AND FILLED 16 INTERIOR OF THE CAR WITH THE FORTUNATELY, THE FIRE DEPARTMENT ARRIVED 17 AND PUT OUT THE FIRE BEFORE IT SPREAD TO THE 18 GAS TANK. 19 2013 Kia Optima o NHTSA ID No.: 11142750 20 o Filed: October 25, 2018 21 Summary of Complaint: ON SEPTEMBER 16, 2018 AT APPROXIMATELY 930AM, 22 WHILE ON DUTY AT WORK(CORRECTION OFFICER) MY KIA OPTIMA GDI 2013 WENT UP IN FLAMES IN THE 23 PARKING LOT OF MY JOB.. I WAS NOT PRESENT AND THE VEHICLE. I HAD ALREADY BEEN ON DUTY 530AM 24 THAT MORNING. ONCE I MADE IT TO THE SCENE MY 25 CAR WAS COMPLETELY ALMOST BURNT TO THE GROUND. THE FIRE DEPARTMENT LABELED IT AS A 26 ELECTRICAL FIRE, WHICH CAUSED THE CAR THE BURN FROM THE INSIDE OUT, STARTING FROM THE 27 ENGINE. I HAD SEVERAL PERSONAL ITEMS OF MINE 28 BURNT IN THE FIRE AND ALSO WORK EQUIPMENT

THAT WAS LOST IN THE FIRE. SINCE THE INCIDENT 1 I'VE SUFFERED MENTAL, EMOTIONAL AND PHYSICAL DISTRESS. I'M A SINGLE MOTHER AND I DEPENDED 2 ON MY CAR TO GET ME WHERE I NEEDED TO GO. THINGS HAVE BEEN VERY FRUSTRATING AND HARD. 3 I'M SEEKING HELP FROM KIA MOTORS. *TR 4 2013 Kia Optima 5 o NHTSA ID No.: 11139335 o Filed: October 8, 2018 6 Summary of Complaint: 7 CAR SPONTANEOUSLY CAUGHT ON FIRE RESULTING IN TOTAL LOSS. NO INJURY BUT DRIVER HAD TO 8 JUMP OUT OF MOVING VEHICLE. 9 2014 Kia Optima NHTSA ID No.: 11102293 10 o Filed: June 18, 2018 11 Summary of Complaint: I PARKED MY KIA OPTIMA AT 7 PM. AT MIDNIGHT I 12 WAS WOKEN UP TO FIRE TRUCKS OUTSIDE OF MY APARTMENT. MY CAR WAS FULLY ENGULFED IN 13 **FLAMES**. THE FIRE INSPECTOR REPORTED NO FOWL 14 PLAY BUT COULD NOT DETERMINE HOW IT HAPPENED. SIMPLY NOT ENOUGH EVIDENCE LEFT. 15 HAD 62K MILES AND WAS FREQUENT WITH OIL CHANGES. NO LIGHTS ON DASH. 16 2013 Kia Optima 17 o NHTSA ID No.: 10918948 18 o Filed: October 24, 2016 Summary of Complaint: 19 THE CAR CAUGHT FIRE AND BURNED SITTING IN MY DRIVEWAY. DRIVEN DAILY TO AND FROM WORK. NO 20 **CHECK ENGINE LIGHT OR ANY WARNING.** CAUGHT 21 FIRE WITHIN FIVE MINUTES OF TURNING OFF ENGINE. 22 2015 Kia Optima 23 o NHTSA ID No.: 10914473 24 o Filed: October 5, 2016 Summary of Complaint: 25 TL* THE CONTACT OWNS A 2015 KIA OPTIMA. WHILE STATIONARY, THE VEHICLE CAUGHT FIRE. THE 26 CONTACT SMELLED SMOKE COMING FROM THE CABIN OF THE VEHICLE. THE FIRE STARTED UNDER 27 THE STEERING COLUMN OF THE VEHICLE. THE FIRE 28 DEPARTMENT EXTINGUISHED THE FIRE. THERE

WERE NO INJURIES AND A FIRE REPORT WAS FILED 1 IMMEDIATELY. THE MANUFACTURER WAS MADE AWARE OF THE ISSUE. THE FAILURE MILEAGE WAS 2 22,000. 3 2014 Kia Optima 4 o NHTSA ID No.: 10873251 o Filed: May 9, 2016 5 Summary of Complaint: MAY 9TH 2016, DRIVING TO WORK ON I-44 HEADING 6 TO WORK, MY VEHICLE WITHOUT WARNING SHUTS 7 OFF AND DIES, I START TO SEE WHITE SMOKE COME FROM THE ENGINE COMPARTMENT, I SAFELY PULL 8 THE CAR OVER TO SHOULDER BECAUSE IT WAS STILL ROLLING. EXIT THE VEHICLE AND OPEN THE 9 HOOD, AND THE ENGINE CATCHES FIRE ON THE DRIVER SIDE OF THE ENGINE. I HAVE SPOKEN TO 10 MANY CERTIFIED MECHANICS ALL WITH THE SAME 11 ANSWER THAT IT WAS AN ELECTRICAL FIRE. I HAVE SINCE COMPLETED THE TOTAL LOSS PROCESS WITH 12 MY INSURANCE. I HAVE CONTACTED KIA CONSUMER AFFAIRS WHO WERE ABSOLUTELY ZERO HELP. THE 13 VEHICLE WAS STILL UNDER WARRANTY AS IT ONLY 14 HAD JUST OVER 36000 MILES. 15 2014 Kia Sorento o NHTSA ID No.: 11090119 16 Filed: April 21, 2018 Summary of Complaint: 17 I WAS DRIVING DOWN THE INTERSTATE AS I HEARD 18 A LOUD POP SO PULLED OVER ON THE SIDE OF THE ROAD THINKING IT WAS MY TIRES, AS I LOOKED AT 19 ALL THE TIRES I DIDN'T SEE ANYTHING SO I GOT BACK IN. SOON AS I GOT BACK IN THE VEHICLE I 20 SMELLED SOMETHING SO I TURNED THE CAR OFF AND GOT OUT. THE MINUTE I GOT OUT OF THE CAR 21 IT ENGULFED IN FLAMES.. THE FIRE REPORT

• 2017 Kia Sportage

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- o NHTSA ID No.: 10943749
- Filed: January 9, 2017Summary of Complaint:

TL* THE CONTACT RENTED A 2017 KIA SPORTAGE. THE CONTACT STATED THAT WHILE PULLING INTO AN ARMY BASE AT APPROXIMATELY 30 MPH THERE WAS SMOKE COMING FROM THE VEHICLE. A

SHOWED IT WAS DUE TO AN ELECTRICAL ISSUE,

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AND THE ENTIRE CAR BURNT UP

WITNESS INFORMED THE CONTACT THAT THERE WERE FLAMES COMING FROM UNDER THE VEHICLE. THE FLAMES SPREAD TO THE HOOD AND WRAPPED AROUND TO THE DRIVER'S SIDE OF THE VEHICLE. THE CONTACT EXITED THE VEHICLE AS IT ENGULFED IN FLAMES. THE CONTACT OBSERVED THAT THERE WAS A TRAIL OF FUEL COMING FROM THE VEHICLE. THE FIRE WAS DISTINGUISHED BY THE LOCAL FIRE DEPARTMENT. A POLICE REPORT WAS FILED AND THERE WERE NO INJURIES REPORTED. THE VEHICLE WAS TOWED BACK TO THE RENTAL COMPANY. THE VEHICLE WAS DESTROYED. THE MANUFACTURER WAS MADE AWARE OF THE FAILURE.

- 2017 Hyundai Tucson
 - o NHTSA ID No.: 11405893
 - o Filed: March 31, 2021
 - Summary of Complaint:

MY DAUGHTER WAS DRIVING HER CAR UP A HILL ON HWY 2 AND IT SLOWED TO A STOP. SHE PULLED OVER AND IT STARTED SMOKING. THE ENGINE CAUGHT FIRE AND BURNED HER CAR. IT WAS A TOTAL LOSS.

- 2018 Hyundai Tucson
 - o NHTSA ID No.: 11351329
 - o Filed: August 26, 2020
 - Summary of Complaint:

VEHICLE CAUGHT FIRE WHILE DRIVING ON THE HIGHWAY.

- 2018 Kia Stinger
 - o NHTSA ID No.: 11331154
 - o Filed: June 26, 2020
 - o Summary of Complaint:

CAR WAS PARKED IN CAR WASH BAY NOT RUNNING. SPRAYED GUNK ENGINE DEGREASER ON MOTOR AND CAR CAUGHT ON FIRE IN A FEW SECONDS UNEXPECTEDLY. CAR WAS NOT RUNNING. QUICKLY PUT FIRE OUT WITH WATER AND FUEL LEAKS AFTER CAREFUL INSPECTION AND ELECTRICAL WIRES FOUND BARE AND BURNT. NOT SURE IF THERE WAS A SHORT OR A FUEL LEAK PRESENT BEFORE USING GUNK DEGREASER BUT DID NOT EXPECT FIRE FOR DOING THIS. PREMIUM MODEL STINGER WITH 2.L T GDI ENGINE. LOVE THE CAR BUT DID NOT EXPECT

THIS. : (REPAIR EXPENSIVE TO NOT REPLACE MOTOR. 1 AROUND \$13,000 AT DEALERSHIP. 2 2018 Kia Stinger o NHTSA ID No.: 11176669 3 o Filed: February 13, 2019 4 Summary of Complaint: I PARKED MY 2018 KIA STINGER AT HOME AFTER 5 DRIVING 40 MIN. MOSTLY HIGHWAY. NOTHING WAS WRONG WITH THE CAR DURING THIS TIME. AFTER 6 ROUGHLY 5 MINUTES IN MY HOUSE, I BEGAN TO 7 **SMELL A BURNING ODOR**. I LOOKED AROUND THE HOUSE FOR ANYTHING BURNING. I SEARCHED THE 8 1ST/2ND FLOOR, BUT NOTHING. I OPENED MY BACK DOOR AND THE SMELL WAS STRONGER, BUT 9 NOTHING WAS UNUSUAL. THE FURNACE WAS OKAY. THEN I HEARD FIRE TRUCKS AND POLICE OUT 10 FRONT. I WENT OUT AND SAW MY CAR IN FLAMES. 11 2018 Kia Stinger 12 o NHTSA ID No.: 11163818 Filed: December 28, 2018 13 Summary of Complaint: 14 VEHICLE WAS IN PARK WITH THE ENGINE NOT RUNNING. CAME OUT OF BIG DEAL CONVENIENT 15 STORE LOCATED ON RTE 9 CHESTERFIELD, NH TO COMING OUT OF FIND SMOKE THE ENGINE 16 COMPARTMENT. CALLED 911 AND USED A STORE FIRE EXTINGUISHER TO TRY TO PUT OUT THE 17 FLAMES. WAITED FOR THE FIRE DEPT TO ARRIVE, 18 THEY PUT THE ENGINE COMPARTMENT FIRE OUT. 19 2017 Kia Sportage o NHTSA IĎ No.: 11407196 20 o Filed: April 9, 2020 21 Summary of Complaint: THE CAR CAUGHT FIRE AFTER BEING DRIVEN. AS 22 SOON AS IT WAS PARKED IT STARTED SMOKING AND WITHIN MINUTES IT WAS ENGULFED IN FLAMES AND 23 TOTALLY DESTROYED 24 2017 Kia Sportage 25 o NHTSA IĎ No.: 11404989 o Filed: March 26, 2021 26 Summary of Complaint: WHILE DRIVING AT 30 MPH, THE VEHICLE BEGAN TO 27

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SMOKE COMING FROM THE FRONT END OF THE

VEHICLE. WHILE ATTEMPTING TO DEPRESS THE

BRAKE PEDAL, THE VEHICLE CONTINUED FORWARD MOVEMENT. THE CONTACT PULLED OVER TO THE SIDE OF THE ROAD, AND THE VEHICLE BECAME ENGULFED IN FLAMES. THE FIRE MARSHALS WERE CALLED TO SCENE AND EXTINGUISHED THE FIRE. AND A REPORT WAS TAKEN. THE VEHICLE WAS TAKEN TO A TOW LOT WHERE IT WAS DIAGNOSED WITH BEING DESTROYED. THE VEHICLE WAS NOT REPAIRED. UPON INVESTIGATION, THE CONTACT ASSOCIATED THE FAILURE WITH, NHTSA CAMPAIGN NUMBER: 21V137000 (SERVICE BRAKES, HYDRAULIC). THE MANUFACTURER WAS INFORMED OF FAILURE AND WAS AWAITING A RESPONSE.

2017 Kia Sportage

- NHTSA ID No.: 11124013
- o Filed: September 2, 2018
- Summary of Complaint:

ON SAT MORNING MY SUV CAUGHT FIRE WITHOUT WARNING. ... WE WERE AT A COMPLETE STOP WHEN SMOKE STARTED COMING OUT OF THE CAR THEN FLAMES. I GOT MY KIDS AND DOGS OUT. THEN I REALIZED OUR MEDICATIONS WERE IN THERE. I THEN WENT BACK TO TRY TO GRAB THE BAG. I COULDN'T BECAUSE OF HOW FAST IT WENT UP. IN THE PROCESS I ENDED WITH TWO SMALL BURNS AND A SLIGHT ABRASION. THERE WAS NO WARNING. THE SUV HAS BEEN MAINTENANCE AND GIVEN ALL REQUIRED MAINTENANCE. IN FACT IN JUNE IT WAS TAKEN IN FOR AN OIL CHANGE.AND 15000 MILE MAINTENANCE. CURRENTLY IT SUSPECTED THAT THIS WAS ELECTRIC FIRE.

2018 Kia Sportage

- NHTSA ID No.: 11288823
- Filed: December 13, 2019
- Summary of Complaint:

THE ENTIRE CAR CAUGHT FIRE. ALL ELECTRIC WIRES CAUGHT FIRE AND THE CAR IT WAS PARK IN MY HOUSE.

2019 Kia Sportage

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- NHTSA ID No.: 11265476
- Filed: October 1, 2019
- Summary of Complaint:

MY KIA SPORTAGE 2019 CAUGHT FIRE ON THE HIGHWAY... AT AROUND 10:30 AM 9/26/19. WE HAD PREVIOUSLY TAKEN THE CAR TO THE DEALERSHIP

WHERE WE PURCHASED IT BACK IN 12/2019. IT HAD ONLY 3900+/- MILES ON IT. THE OIL, FILTER, TIRE ROTATION AND 27 POINT INSPECTION WAS DONE ON 9/19/19. AS I WAS IN THE LEFT LANE OF RTE 70 WB I NOTICED BLUE SMOKE COMING FROM THE BACK OF THE CAR. I PUT ON MY FLASHERS AND SIGNALED OVER TO THE RIGHT SHOULDER. I CALLED MY HUSBAND AND WAS QUITE HYSTERICAL BECAUSE NOW THE FRONT OF THE CAR WAS SMOKING A BROWNISH-BLACK. IT QUICKLY STARTED COMING IN THEY THE VENTS. I COULDN'T FIGURE OUT WHAT TO DO - MAY HAVE BEEN IN SOME SORT OF SHOCK. BUT I FINALLY LEFT THE VEHICLE BUT WAS STILL TOO CLOSE. A PASSERBY, [] OF NJ, ASSISTED ME TO A SAFE PLACE AND I HEARD A POP THEN THE FLAMES STARTED COMING QUICKLY.

• 2016 Hyundai Genesis

- o NHTSA ID No.: 11090119
- o Filed: July 6, 2018

Summary of Complaint:

ON APRIL 13, 2018 AFTER DRIVING FOR 1,5-2 HOURS, I PARKED IT AND WENT TO THE OFFICE FOR 10-15 MINUTES; ON MY WAY BACK TO THE VEHICLE I HEARD THE FIRE TRUCKS COMING; AS I WAS APPROACHING MY VEHICLE I REALIZED THAT MY VEHICLE WAS ON FIRE.

D. The Defect caused Plaintiff Zakikhani's 2007 Hyundai Entourage to catch fire while parked in his garage, threatening his family's life, and causing damage to his home.

145. Mr. Zakikhani purchased his 2007 Hyundai Entourage on June 10, 2008, from a Hyundai dealership in Newport, Rhode Island. Mr. Zakikhani's vehicle was a "certified pre-owned" vehicle. On the "sticker" display, Hyundai claimed that the vehicle had "a bevy of standard safety equipment" and promoted that it was "[n]amed an Insurance Institute for Highway Safety 2007 Top safety Pick." Hyundai further claimed that the vehicle had undergone a "150-point pre-delivery Hyundai certified inspection."

146. The safety and reliability of the 2007 Hyundai Entourage were important factors to Mr. Zakikhani in purchasing the vehicle and choosing to purchase the extended

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"Platinum" warranty which covers practically all mechanical failures within the vehicle.

147. Throughout his ownership of the vehicle, Mr. Zakikhani performed all the recommended manufacturer maintenance and otherwise properly cared for his vehicle.

148. In the evening on March 26, 2019, Mr. Zakikhani was sitting in his living room when he heard the sound of his 2007 Hyundai Entourage alarm. Mr. Zakikhani immediately ran to his attached garage where he saw a thick black plume of black smoke emanating from his parked vehicle. The fire emanating from the engine compartment of his vehicle had grown so large that parts of his garage and home had turned black with soot.

149. While his vehicle was on fire, Plaintiff was forced to enter the vehicle to shift it to neutral and push the vehicle out of his garage. Below are the distressing pictures taken by Mr. Zakikhani in front of his home after he had removed the vehicle from his garage and his local fire department arrived at his home:



150. At the time of the fire, Mr. Zakikhani was home with his entire family. Thus, the Defect not only resulted in loss of Mr. Zakikhani's vehicle and damage to his personal property, as well as his neighbor's property, it placed his family's lives in grave danger.

151. Like numerous incidents reported to NHTSA by Defective Vehicle owners, Mr. Zakikhani's vehicle had been turned off for approximately five hours prior to the fire.

152. Mr. Zakikhani retained an experienced Fire and Explosion Investigator to determine the cause of the engine compartment fire in his vehicle. The investigation revealed that the fire originated in the vehicle's rear of the engine compartment behind the battery and above the transmission on the driver's side.

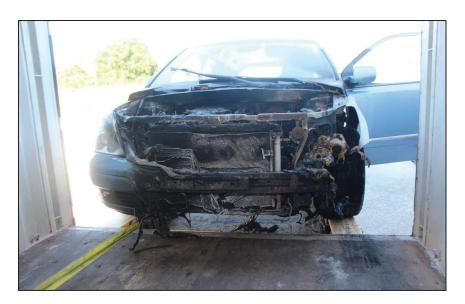
153. Specifically, the investigator found it was "more likely than not" that (1) the fire originated in the ABS module; (2) the first fuel ignited was the plastic components of the ABS module; and (3) the source of ignition was a short circuit within the ABS module, which was connected to the vehicle's 12 VDC battery system.

154. Below are pictures taken as part of the investigation, which support its findings:

a Driver's side of the Hyundai Entourage:



b. Front view of vehicle: Ventilation and plastic parts lead to greater damage in this area, but patterns are consisting with a fire starting behind the radiator:



c. Hood, looking from the front: Paint is completely burned away over left rear section of the engine compartment (red outline). Damage at front of hood due to more



available oxygen (yellow outline):

d Engine compartment, looking from the front: Damage is more severe on the driver's side.





- e Inconsistent fire damage at the ABS module.
- f Detail of previous photo, showing loss of material in the ABS module.



155. The investigator noted that the seals to ABS modules fail over time, which can leak water to enter the ABS module. This, in turn, can lead to an electrical short and fire.

156. Following the near loss of his home and life-threatening danger his family was placed in, Mr. Zakikhani incurred thousands of dollars in damages and expenses that he would not have incurred but for the Defect. In addition to the damage of his vehicle, Mr. Zakikhani was forced to replace personal items lost in the fire, including his toddler's car seat and stroller, pay for damage to a neighbor's property, pay for an interim car rental, purchase a safe replacement vehicle, and pay for damage to his vehicle parked adjacent to his 2007 Hyundai Entourage at the time of the fire. Mr. Zakikhani also incurred expenses necessary to store his vehicle until such time that it can be adequately repaired.

157. As a result of the Defect nearly destroying Mr. Zakikhani's home and threatening the life of his family, Plaintiff and his wife suffered emotional distress and are permanently traumatized by the incident. Indeed, each time Mr. Zakikhani and his wife park their vehicles in or near their home, they now have meaningful concerns for

their family's safety.

E. Defendants had knowledge of the Defect years prior to the Recalls.

158. On information and belief, each Defendant was aware of the Defect and the catastrophic risk it posed to Defective Vehicle owners (as well as bystanders), through but not limited to: (1) each Defendant's pre-sale durability testing and part sales; (2) each Defendant's own records of customer complaints; (3) dealership repair records; (4) NHTSA complaints; (5) warranty and post-warranty claims; and (6) Hyundai America's U.S. Technical Committee responsible for safety recalls.

159. HMC, Hyundai America, Kia America, and KMC are experienced in the design and manufacture of consumer vehicles. As experienced manufacturers, Defendants conduct tests such as pre-sale durability testing on incoming components, including ABS control modules, to verify the parts are free from defects and align with their specifications.

160. KMC conducts expansive presale durability testing on its vehicles to make sure they "endure over a long time without fault." KMC states that it conducts "performance and durability tests" on "all Kia vehicles sold in the U.S" at the California Proving Ground. As part of this process, KMC conducts seven durability tests, including an item durability test of the vehicle's individual components, a module durability test, and a corrosion test.

161. HMC and Hyundai America similarly conduct extensive safety and

⁵⁶ http://www.kia.com/worldwide/experience_kia/rnd/performance.do (last accessed October 23, 2020).

⁵⁷ KMC 2017 Annual Report, p.58, *available at* https://worldwide.kia.com/int/company/ir/archive/annual-report (last accessed July 15, 2021).

durability testing on their vehicles. Like Kia, Hyundai America touts that its cars are "tested in the most extreme conditions" "[f]rom the scorching heat of Death Valley, Calif., to the frozen tundra of central Canada" in order to ensure that the cars are roadworthy.⁵⁸

162. Hyundai America claims that its staff "hand check nuts, bolts, cables, wiring and power components before any Hyundai leaves the plant. Then every vehicle is road tested to eliminate squeaks and rattles that can't be detected on the factory floor."⁵⁹ Further, Hyundai America states that is has "250 robots, equipped with optical sensors far more sensitive than the human eye, [that] inspect[] every vehicle for quality welds and proper fit. *This ensures tight seams and seals*, as well as perfect alignment." Hyundai America adds that its vehicles undergo "thousands of hours of simulations in state-of-the-art safety testing facilities" and that "every new design is tested in real-world situations" at the California Proving Grounds.

163. ABS control modules are known to experience issues with sealing and moisture causing dangerous conditions within the component. Indeed, on October 29, 2013, Hyundai America recalled 2009-2012 Hyundai Genesis vehicles due to a defect which allowed brake fluid to enter into and corrode the module. Hyundai acknowledged that corrosion of the "Hydraulic Electronic Control Unit (HECU) module" could affect

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⁵⁸ https://www.auto-brochures.com/makes/Hyundai/Entourage/Hyundai_US%20Entourage_2008.pdf (last accessed July 15, 2021).

⁵⁹ https://www.auto-brochures.com/makes/Hyundai/Entourage/Hyundai_US%20Entourage_2008.pdf (last accessed July 15, 2021).

⁶⁰ NHTSA Campaign Number: 13V489000.

braking effectiveness and increases the risk of a vehicle crash.⁶¹

164. After learning of the defect from the HECU supplier, Hyundai waited a year to issue the recall. While General Motors recalled vehicles containing the same components in January 2012 and again in September 2012, Hyundai waited until October 2013 to issue the recall. Consequently, in 2014, NHTSA fined Hyundai \$17.35 million for failing to timely report a defect in the HECUs found in 2009-2012 Hyundai Genesis which may lead to corrosion and impair brake effectiveness. NHTSA found that Hyundai knowingly withheld information concerning the dangerous safety defect from vehicle owners and delayed issuing a recall over the defect.

165. As part of the Consent Decree entered into by Hyundai America and HATCI with NHTSA, it "commit[ed] and agree[ed] to ... [make] corporate organizational and process improvements" including the creation of a U.S. Technical Committee to review and make decisions regarding potential safety recalls. The head of the U.S. Technical Committee was also granted "direct access to the board of directors and the Chief Executive Officer ('CEO') of [Hyundai America]."

166. More recently, Defendants' other competitors issued recalls of their own vehicles due to moisture entering into ABS control modules causing injuries to drivers. In 2015, Chrysler announced a recall of 2012-2015 Dodge Journeys due to a defect within the ABS module which allows moisture to enter the component which "could

⁶¹ https://static.nhtsa.gov/odi/rcl/2013/RCDNN-13V489-9416.pdf (last accessed July 16, 2021).

⁶² https://one.nhtsa.gov/About-NHTSA/Press-Releases/Hyundai%E2%80%93agrees%E2%80%93to%E2%80%93pay%E2%80%93\$ 17.35%E2%80%93million%E2%80%93fine (last accessed July 16, 2021); https://static.nhtsa.gov/odi/rcl/2013/RCDNN-13V489-9416.pdf (last accessed July 16, 2021).

disable the ABS and/or Electronic Stability Control (ESC) system(s)."⁶³ Nissan announced its own recall of multiple vehicles in 2016, over a defect in its ABS which can leak fluid into the component which "may create an electrical short in the actuator circuit, which in rare instances, may lead to a fire."⁶⁴

167. Accordingly, in light of Hyundai America's prior ABS module defect, as well as its competitors' recalls, Defendants did, or should have, performed diligent presale testing and monitoring for ABS module defects within the Defective Vehicles.

168. Defendants also regularly monitor the NHTSA databases as part of their ongoing obligation under the TREAD Act, Pub. L. No. 106-414, 114 Stat.1800 (2000), to identify potential defects in their vehicles. Among other employees, Hyundai America and Kia America customer service departments are responsible for monitoring customer complaints posted to NHTSA's public database, as well as their respective websites or third-party websites.

169. Hyundai has also stated publicly that it "ha[s] a robust system in place for monitoring and investigating reported vehicle fires that includes investigation and reporting to NHTSA as required."⁶⁵ Thus, the numerous complaints filed by Defective Vehicle owners with NHTSA establish that Defendants knew, or should have known, of the Defect in the Defective Vehicles at least as early as 2011, based on publicly available information, nearly a decade before Defendants issued the 2020 Recalls, and years prior to the manufacturing and sale of hundreds of thousands of additional Defective Vehicles.

170. Plaintiffs' investigation revealed that the Defect was complained of on April

⁶³ NHTSA Recall No. 15V-675.

⁶⁴ NHTSA Recall No. 16V-636.

⁶⁵ https://www.autoblog.com/2018/10/12/hyundai-kia-fires-center-for-autosafety/ (last accessed July 16, 2021).

27, 2011, when an owner of a 2010 Hyundai Elantra reported that on October 16, 2020, their "6-month old Hyundai Elantra Touring caught fire after sitting in [his or her] driveway for nine hours." The complaint further stated that his insurance company retained a forensic engineer to determine the origin of the fire. *The engineer determined that "the fire was electrical and originated in the engine compartment."* The owner's complaint warned that "as far as I know, Hyundai has not issued a recall or TSB on the car." The owner was correct, and Defendants' failure to recall the vehicles would result in a shocking number of additional fires and needlessly risk the lives of thousands.

171. Again, on October 23, 2013, an owner of a 2007 Hyundai Elantra in Coral Springs, Florida warned that their "[v]ehicle caught fire after sitting off for 5 hours." The owner reported that the "[f]ire department determined that fire originated in engine compartment" and that there was "[p]robable cause of fire electrical within engine compartment." Further, the owner maintained the vehicle in "excellent condition, never had any problems[,] was never in an accident[,] [and] [n]o recalls [were] issued for electrical issues in engine compartment."

172. One of the most egregious complaints ignored by Defendants was filed on June 20, 2016, when an owner of a 2008 Kia Sedona recounted the story of his vehicle erupting in flames while sitting in his driveway.⁶⁸ The vehicle was towed to a Kia dealership to investigate the cause of the fire. Within days of receiving the vehicle "the dealer concluded the ABS may have caused the fire." This was based on the fact that "the fire had burned the wiring harness and fire wall." Thus, the Kia dealership

⁶⁶ NHTSA ID No. 10398944; see also NHTSA ID No. 10400774.

⁶⁷ NHTSA ID No.: 10548829.

⁶⁸ NHTSA ID No.: 10875413.

specifically identified the Defect four years prior to Defendants' February 2020 Recall.

173. Similarly in 2016, following the spontaneous fire of a 2008 Hyundai Elantra an owner "contacted Hyundai directly and brought to their attention" that the local fire department "suspected [the fire] to be a manufacturers defect of possible faulty electrical wiring." The owner "urge[d] and plead[ed] [Hyundai] to look into this matter[,]" particularly because he or she was "aware of the past recalls conducted by Hyundai due to the possibility of engine fires and feel[s] as though[] [his or her] vehicle is one of the vehicles affected [b]y the negligence in the manufacturers end."

174. Also in 2016, at least three owners of Kia Optima vehicles subject to the Summer 2020 Recall publicly complained of fire incidents related to the Defect. For example, an owner of a 2015 Kia Optima filed a public complaint with NHTSA that her vehicle, with only 22,000 miles, "caught fire" "while stationary." In January of 2017, the owner then submitted a "Vehicle Owner's Questionnaire" with NHTSA wherein he or she states that when she attempted to enter her car which was parked for "about two and a half hours" she found "smoke coming from under the dash." The vehicle would soon be engulfed in flames and destroyed, as well as causing damage to the driveway the car was parked on. After reporting the incident to KMA's National Consumer Affairs, a representative stated that Kia would like to inspect the vehicle. However, the company failed to make any effort to do so in the subsequent months or otherwise investigate the incident. Separately, another owner warned via a public NHTSA complaint that their vehicle began to smoke from the engine compartment while driving. The owner then

⁶⁹ NHTSA ID No.: 10897621.

⁷⁰ See NHTSA ID Nos.: 10914473, 10918948, 10873251.

⁷¹ NHTSA ID No.: 10914473.

⁷² Available at https://static.nhtsa.gov/odi/cmpl/2016/EQ-10914473-8505.pdf.

stated that they "have spoken to many certified mechanics all with the same answer that it was an electrical fire[,]" and that they "have contacted kia consumer affairs who were absolutely zero help. The vehicle was still under warranty as it only had just over 36000 miles."

175. In January 2017, a complaint was filed with NHTSA stating that a 2017 Kia Sportage 73

176. On information and belief, Kia America's and Hyundai America's customer relations divisions regularly receive and respond directly to customer calls concerning, *inter alia*, product defects. Through these sources, Defendants were made aware of the Defect and had knowledge of its potential danger.

177. On information and belief, Defendants' customer relations departments, which interact with authorized service technicians in order to identify potentially widespread vehicle problems and assist in the diagnosis of vehicle issues, have received numerous reports of compartment fires unrelated to collisions and accidents. 74 Customer relations also collects and analyzes field data including, but not limited to, repair requests made at dealerships and service centers, technical reports prepared by engineers that have reviewed vehicles for which warranty coverage is requested, parts sales reports, and warranty claims data.

178. Defendants' warranty departments similarly review and analyze warranty data submitted by their dealerships and authorized technicians in order to identify defect trends in their vehicles. Defendants dictate that when a repair is made under warranty (or warranty coverage is requested), service centers must provide Defendants with detailed

⁷³ NHTSA ID No.: 10943749.

⁷⁴ See, e.g., NHTSA ID Nos.: 10875413, 10993003.

documentation of the problem and the fix that describes the complaint, cause, and correction, and also save the broken part in case Defendants later determine to audit the dealership or otherwise verify the warranty repair. For their part, service centers are meticulous about providing this detailed information about in-warranty repairs to Defendants because Defendants will not pay the service centers for the repair if the complaint, cause, and correction are not sufficiently described.

179. Upon information and belief, each Defendant knew or should have known about the Defect and risk of engine compartment fires because of the high number of replacement parts likely ordered from Defendants. All Hyundai America and Kia America service centers are required to order replacement parts, including ABS control modules directly from Hyundai America, HMC, Kia America, or KMC. Other independent vehicle repair shops that service Defective Vehicles also order replacement parts directly from Defendants. Hyundai America, HMC, Kia America, and KMC routinely monitor part sales reports and are responsible for shipping parts requested by dealerships and technicians. Thus, Hyundai America, HMC, Kia America, and KMC have detailed, accurate, and real-time data regarding the number and frequency of replacement part orders. The increase in orders of auto-parts necessary to fix damage caused by engine compartment fires in the Defective Vehicles was known to Hyundai America, HMC, Kia America, and KMC, and should have alerted them to the scope and severity of the Defect.

- 180. On information and belief, the customer relations and warranty divisions of Hyundai America, HMC, Kia America, and KMC interact with one another and discuss potential issues in Hyundai and Kia vehicles which share components and designs.
 - 181. On information and belief, the engineering offices, safety offices, and safety

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⁷⁵ NHTSA Campaign Number: 16V-815.

investigators of Hyundai America, HMC, Kia America, and KMC interact with one another and discuss potential issues in Hyundai and Kia vehicles which share components and designs.

Hyundai America and Kia America issue inadequate and incomplete Recalls, leaving over a million dangerous Defective Vehicles on the road. F.

182. Auto manufacturers are required to file a report with NHTSA within five days of identifying any safety related defects in its vehicles. 49 C.F.R. § 573 et seq. The initial report is required to identify all vehicles "potentially containing the defect" and include "a description of the manufacturer's basis for its determination of the recall population and a description of how the vehicles or items of equipment to be recalled differ from similar vehicles or items of equipment that the manufacturer has not included in the recall." Id. § 573.6. Additionally, the report must contain a "description of the defect" and "identify and describe the risk to motor vehicle safety reasonably related to the defect[.]" *Id*.

183. The purpose of these regulations is obvious: "To facilitate the notification of owners of defective and noncomplying motor vehicles ..., and the remedy of such defects and noncompliances, by equitably apportioning the responsibility for safety-related defects and noncompliances with Federal motor vehicle safety standards among manufacturers of motor vehicles[.]" *Id.* § 573.2.

184. The first acknowledgment of the existence of the Defect came on November 4, 2016, when Kia America notified NHTSA that it was recalling 71,704 Kia Defective Vehicles, comprised of 2008-2009 Kia Sportage vehicles. 75

185. Kia America described the Defect in its Part 573 Safety Recall Report,

stating that "[i]mproper sealing of the HECU's wire harness cover permits salt water to eventually reach the electrical circuit board through corroded connector pins." In its Description of the Safety Risk, Kia warned that "[i]f the HECU circuit board experiences a short circuit, a thermal event can result, including the possibility of an engine compartment fire."

186. In connection with the Part 573 Safety Recall Report, Kia filed a "Chronology" of the events leading up to the 2016 Recall. According to the Chronology, Kia America reported that its Consumer Affairs department received a report on April 19, 2016 of an engine fire in a 2008 Sportage which was parked in a driveway at the time of the fire. On April 22, 2016, the vehicle was transported to Kia America's headquarters in Irvine, California. Within four days, on April 26, 2016, Kia America's engineers at its headquarters identified the "ABS control module area" as the origin of fire. Kia America then requested assistance from KMC.

187. According to Kia's Chronology, on May 12, 2016, Kia America identified other complaints of "thermal events" and began to evaluate the field data. The following week, KMC and its supplier purportedly identified road salt entering and causing corrosion in the ABS module as a "possible contributing factor to thermal incidents."

188. In June 2016, KMC purportedly conducted tests to determine the cause of the ignition and found that "[s]alt water is found to increase conductivity in HECU circuits and lead to possible circuit overload."

189. On September 27, 2016, Kia decided to recall the Sportage vehicles in order

https://static.nhtsa.gov/odi/rcl/2016/RCLRPT-16V815-4945.PDF (last accessed July 15, 2021).

https://static.nhtsa.gov/odi/rcl/2016/RMISC-16V815-3941.pdf (last accessed July 15, 2021).

"to prevent thermal events in areas exposed to heavy salt use." Kia America also disclosed that it identified nine consumer assistance complaints regarding thermal events.

190. While Kia America acknowledged the potentially deadly defect in over 71,000 vehicles, it did not offer to remedy the Defect in all recalled vehicles. Instead, Kia America only offered to replace the defective HECUs if a Kia dealer determined that "corrosion is present"; otherwise, Kia Defective Vehicle owners were merely offered replacement "connector covers" for their HECUs.

191. Moreover, the 2016 Recall did not fully disclose that the risk of a spontaneous eruption in the engine compartment was due to the HECU remaining charged at all times—a defect that was not addressed by Kia's proposed remedy.

192. Next, on January 9, 2018, Hyundai America notified NHTSA that it was "recalling certain 2006-2011 Hyundai Azera and 2006 Hyundai Sonata vehicles[,] [because] [w]ater may enter the Anti-lock Brake (ABS) Module and result in an electrical short." Hyundai warned that "an electrical short within the ABS Module may cause an engine compartment fire, even when the car is turned off, increasing the risk of an injury." Hyundai identified 87,854 potential affected vehicles.

193. According to the "Chronology" filed in Hyundai America's Part 573 Safety Recall Report, in December 2016, HMC "received a report in the Korean market alleging an overheated condition inside the engine compartment around the ABS module." ⁷⁹ Hyundai America claimed that HMC conducted "a global market analysis but did not identify a trend for this condition." By May 2017, Hyundai America stated that it found

⁷⁸ https://static.nhtsa.gov/odi/rcl/2018/RCAK-18V026-9556.pdf (last accessed July 15, 2021).

⁷⁹ https://static.nhtsa.gov/odi/rcl/2018/RCLRPT-18V026-8031.PDF (last accessed July 15, 2021).

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no design or manufacturing flaw in the ABS module.

194. In June 2017, Hyundai America purportedly received a report from the U.S. market alleging illumination of the malfunction indicator light and smoke inside the engine compartment around the ABS module. In November 2017, HMC, with the assistance of its supplier, "found evidence of an electrical short inside the ABS module potentially caused by moisture leaking into the ABS module and accelerated by the continuous powered state of the module."

195. Hyundai America then waited until January 3, 2018, to decide that a recall was necessary. Hyundai America issued Recall No. 18V-026 for 87,854 vehicles equipped with faulty ABS modules which may result in dangerous engine compartment fires.

196. In its Recall Report, Hyundai described the "Defect", "Safety Risk," and "Cause":

> Description of the Defect: The subject vehicles are equipped with an Anti-Lock Brake System ('ABS') module that remains powered on when the vehicle is turned off. If moisture has entered the ABS module (such as from water from high pressure car washes), over time an electrical short could occur inside the ABS module.

> Description of the Safety Risk: If a short circuit occurs inside the ABS module, there could be an increased risk of an engine compartment fire. The service brakes remain operational.

> Description of the Cause: Moisture intrusion into the electronic components of the ABS module can cause a short circuit. Because the ABS module has continuous power, a short circuit may occur while the vehicle is parked, and the ignition switch is turned off.

197. In contrast to the proposed Defect remedy in the 2016 Recall, this time

⁸⁰ NHTSA ID No.: 11080896.

Hyundai offered to remedy the Defect by "install[ing] a relay in the vehicle's main junction box" which is designed to "power down [the ABS module] when the ignition switch is turned OFF." This "remedy," however, is equally insufficient as the 2016 Recall remedy. First, the remedy fails to address moisture entering and/or accumulating within the ABS control module that allows the components to corrode which leads to a short circuit. Second, it fails to address the corrosion already present in the ABS module that will cause fires when the car is on and the control unit is knowingly electrified. In fact, on March 22, 2018, a publicly filed NHTSA complaint explained that "the recall addresses rewiring the ABS so no power is present in the water leaking ABS module when the vehicle is not operating and parked but does not address failure of the ABS without fire from water leakage when the vehicle is driven."

198. Hyundai claimed in the 2018 Recall that there had been no reports of accidents or injuries associated with the Defect. However, this overlooks that Defective Vehicle owners had lost use of their cars, and some reported damage to their homes as a result of fires caused by the Defect while the car was parked. Most of all, it ignores the numerous reports of injuries cause to owners and bystanders of the Defective Vehicles which were yet to be recalled.

199. In February 2018, Hyundai America issued "Remedy Instructions and [Technical Service Bulletin]" (No. 18-01-009) which described the procedure for installing the relay block into the ABS module electrical circuit.⁸¹ The TSB instructed dealers that they "must perform this Recall Campaign whenever an affected vehicle is in

 $^{^{81}}$ https://static.nhtsa.gov/odi/rcl/2018/RCRIT-18V026-8494.pdf (last accessed July 15, 2021).

the shop for any maintenance or repair."

200. While Hyundai America stated in the Recall Report that it "will continue to monitor incidents in the field and will determine at a later date if further investigation is warranted," it failed to recall hundreds of thousands of Defective Vehicles that were at risk of eruption due to the same Defect but not included in the 2016 or 2018 Recalls. Moreover, by that time, there were already numerous public reports of non-accident engine compartment fires in Defective Vehicles which were not included in the 2018 Recall.

201. Had Hyundai America and Kia America issued a recall for all Defective Vehicles at the time of the 2018 Recall, many people would have been taken out of harm's way.

202. Following the February 2018 Recall, Defendants' disregard for safety defects in their vehicles caused them to fall under scrutiny by the public and NHTSA.

203. On June 11, 2018, the Center for Auto Safety ("CAS") petitioned NHTSA's ODI to initiate a safety defect investigation into non-collision related fires on 2011-2014 Kia Optima and Sorento, and Hyundai Sonata and Santa Fe vehicles. CAS filed the petition due to the higher number of NHTSA complaints regarding non-crash fires on these vehicles compared to other similar vehicles.

204. In September 2018, the ODI sent an Information Request letter to Hyundai America requesting information on all engine and nonengine related fires in the petition Hyundai vehicles. ODI performed extensive analysis on the information obtained from Hyundai. After reviewing Hyundai America's documents, on March 29, 2019, NHTSA granted the petition and formally opened the NHTSA Investigation into Hyundai's non-

crash vehicle fires.82

205. Next, in February 2020, Defendants announced a recall of an additional 700,000 Defective Vehicles due to the Defect. Specifically, on February 4, 2020, Hyundai America recalled approximately 396,025 model year 2007-2011 Elantra vehicles, approximately 33,661 model year 2009-2011 Elantra Touring vehicles, approximately 41,420 model year 2007-2008 Entourage vehicles, and approximately 5,005 model year 2007 Hyundai Santa Fe vehicles—all produced by HMC. The Hyundai vehicles included in the February 2020 Recall are part of the NHTSA Investigation.

206. On February 14, 2020, Kia America recalled approximately 228,829 vehicles, comprised of 2006-2010 Kia Sedona vehicles and certain 2007-2009 Kia Sorento vehicles.

207. Like its 2018 Recall, Hyundai America stated in its amended Part 573 Safety Recall Report that the recalled "vehicles are equipped with an Anti-Lock Brake System ('ABS') module that remains energized when the vehicle is turned off. If moisture enters the electrical circuit of the ABS module a short circuit could gradually develop."84 Should a short circuit occur in the ABS module, "there could be an increased risk of a 'key-off' engine compartment fire." Hyundai stated that "[a] specific causality allowing moisture to enter the ABS module electrical circuit has not yet been identified; however, because the ABS module is continually powered, an electrical short could develop even while the vehicle is turned off." Further, Hyundai proposed the same inadequate "remedy" as in the 2018 Recall, the instillation of a "new relay [which] will

⁸² NHTSA ID: PE19003.

⁸³ NHTSA Recall Nos. 20V-061, 20V-088.

 $^{^{84}\} https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V061-1748.PDF (last accessed July 16, 2021).$

power down the ABS module when the vehicle's ignition switch is turned OFF."

208. Similarly, Kia America recalled "certain 2006-2010 Sedona and 2007-2009 Sorento vehicles [because] [m]oisture may enter the Anti-lock Brake (ABS) Module and result in an electrical short." Kia America described the "Defect", "Safety Risk," and "Cause" in its amended Part 573 Safety Recall Report:⁸⁶

<u>Description of the Defect</u>: When the vehicle is in the key OFF position and parked, the Hydraulic Electronic Control Unit (HECU) remains energized. If moisture enters the HECU, an electrical short circuit could occur even though the vehicle is turned off and parked.

<u>Description of the Safety Risk</u>: An electrical short circuit inside the HECU increases the risk of an engine compartment key OFF fire.

<u>Description of the Cause</u>: The cause of moisture entering the HECU has not yet been ascertained. However, since the HECU is continuously powered, an electrical short may occur while the vehicle is turned off and parked.

209. Kia America's proposed remedy for this was to "notify owners, and dealers will install a relay in the main junction box to prevent power from being directed to the HECU when the vehicle's ignition switch is turned off[.]"

210. In the "Chronology" filed by Hyundai America with NHTSA, the company described "the events leading up to the defect decision:"

• In October 2017, Hyundai Motor America ("HMA") received a claim alleging an engine compartment fire on a 2007 Hyundai Elantra vehicle. HMA inspected the vehicle and confirmed damage

https://static.nhtsa.gov/odi/rcl/2020/RCAK-20V088-4207.pdf (last accessed July 15, 2021).

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V088-7113.PDF (last accessed July 15, 2021).

consistent with an engine compartment fire. The source of the ignition could not be determined due to the extent of the damage; however, various fuses related to the ABS module were found open indicating the possibility of an internal short. HMA requested the ABS module to be recovered for further analysis. HMA conducted a search of all field information and discovered two additional reports of engine compartment fires on Elantra vehicles. The ABS modules from these incidents were also requested for analysis.

- By November 2017, HMA received two of the three known incident parts. A Quality Information Request ("QIR") was issued by HMA to HMC requesting an analysis of the recovered incident parts for any signs of electrical shorting due to brake fluid or moisture contamination.
- In March 2018, HMA received HMC's recovered parts analysis result. In their analysis, HMC concluded that moisture ingress analysis could not be performed due to the extent of heat damage to the ABS module components. HMC requested additional recovery parts for further analysis.
- From April 2018 to August 2018, HMA continued monitoring incidents in the field. Due to the low rate of vehicle fires and warranty part returns, HMA initiated random recovery of in-use ABS modules for inspection of any precursory signs of moisture ingress or electrical shorting. Four additional ABS modules were recovered and sent to HMC for analysis. HMA received HMC's analysis result in late August 2018. In their analysis, HMC reported that all parts were free of any signs of moisture ingress or electrical shorting.
- From September 2018 to February 2019, HMA continued monitoring incidents in the field and requesting 100% of incident parts for analysis by HMC. During this time, one additional incident part was recovered by HMA and sent to HMC.
- In March 2019, HMC decided to conduct an in-person field survey of both incident and in-use vehicles in the U.S. market due to the low number of available recovery parts to investigate potential root cause(s). A total of eleven vehicles (one incident vehicle and ten in-use vehicles) were surveyed, however, no signs of moisture were found in any of the ABS modules.

From April 2019 to December 2019, HMC continued to investigate

warranty part returns from both the U.S. and domestic markets. In

their analysis, HMC observed various part conditions that could potentially lead to moisture ingress into the electrical circuit of the

ABS module such as insufficient diagnostic connecter fastening,

cracked [printed circuit board] PCB covers, damaged connectors, and mismatched OEM/aftermarket sub-components; however, no

discernible trend relating to a design or manufacturing defect could

be found. Despite being unable to identify a consistent mechanism for moisture intrusion, HMC recommended addressing the

condition by depowering the ABS module during the ignition OFF

state, similar to prior recall 172. Based on this information, on January 28, 2020, HMA convened its Technical Committee and

decided to conduct a safety recall in the U.S. market to address the

condition in all affected vehicles.

- 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16
- In early February 2020, *HMA received information of an agency request to Kia Motor America ("KMA") to conduct a recall of certain Kia Sedona and Sorento vehicles addressing a similar condition involving on-board ABS modules.* HMC informed HMA that certain Hyundai vehicles containing similar ABS systems as the ones being recalled by KMA may need to be included in the original recall decision made on January 28. Based on this information, HMA re-convened its Technical Committee on February 17, 2020 and decided to expand recall 20V-061 to include these additional vehicles.

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the February 2020 Recall:

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 April 2017-May 2017[:] Kia Motors America, Inc. (KMA) receives engine compartment fire complaint for 2009 Kia Sorento on April 6, 2017. KMA inspects vehicle on May 18, 2017 and identifies origin of fire near engine room fuse/relay box; cause could not be determined.

211. Kia America too filed a "Chronology" supporting its decision to announce

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• July 2018-August 2018 [:] KMA receives complaints of two (2) engine compartment fires involving a 2008 and 2009 Sorento. During this time, KMA conducts broad search of salvage yard vehicles for further investigation. KMA and Kia Motors Corporation (KMC) jointly inspect the available Sorento vehicles. Inspections reveal origin of fire is near area of Hydraulic Electronic

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Control Unit (HECU) and engine room fuse/relay box. Cause of fire could not be confirmed. Further analysis needed. KMA begins process of recovering parts from inspected vehicles for further evaluation.

- September-November 2018 [:] KMA continues to monitor field incidents; no related fire incidents identified. On November 26, 2018, KMA provides part recovered from prior salvage yard inspection to KMC for further analysis.
- December 2018 [:] KMC and supplier conduct visual and x-ray evaluation of HECU part received from KMA in November 2018 from salvage yard vehicle. HECU connector B+ area severely damaged from fire. Minor corrosion found on one of the ESC connector wires. Corrosion possibly due to moisture intrusion, but manner of intrusion could not be determined.
- January 2019 [:] KMA recovers HECU parts from two (2) Sorento vehicles previously inspected in August 2018 and ships them to KMC for further evaluation. KMC and supplier analyze parts; corrosion of ESC wiring found on one examined part possibly due to moisture intrusion. Examination of second part revealed thermal damage to HECU cover; fire origin suspected to be in relay box area, but cause could not be determined.
- February 2019 [:] KMA notified of a fire incident involving a 2008 Sedona on February 12, 2019. KMA inspects vehicle and finds burn damage of HECU connector but cause could not be determined. KMA begins process to repurchase vehicle for further evaluation. KMA continues to monitor.
- May 2019-June 2019 [:] KMA notified of fire incident involving a 2007 Sedona on May 7, 2019. KMA inspects vehicle on June 27, 2019. Origin of fire in area of HECU but cause could not be determined. KMA works to collect parts for further examination by KMC.
- July 2019-November 2019 [:] KMA continues to monitor incidents and receives 2009 Sorento engine compartment fire claim on August 6, 2019. KMA subsequently inspects vehicle on October 9, 2019 and identifies fire originated in left rear of engine compartment, likely in area near HECU. However, cause could not be determined.

- December 2019-January 2020 [:] KMC engineers and KMA engineers conduct joint inspection at KMA headquarters on December 9, 2019 of two (2) previously repurchased incident vehicles and three (3) HECU parts which had been collected by KMA. Inspection confirms visible thermal damage to HECUs. Further X-ray analysis of HECU conducted by supplier in January showed evidence of a short circuit, possibly related to intrusion of moisture. Source of possible moisture intrusion could not be determined. No identifiable trend relating to a design or manufacturing defect could be found.
- February 10, 2020 [:] As a precautionary measure, KMC decides to conduct a recall of certain Kia Sedona and Sorento vehicles to prevent key OFF engine compartment fires by depowering the HECU when the vehicle is in the ignition key OFF condition. Two (2) Sedona and five (5) Sorento fire related customer complaints. No known injuries related to this condition.
- 212. Absent from both of the Chronologies leading up to the February 2020 Recall is any reference of the same Defect found in the 2016 and 2018 Recalls or the fact that the numerous public complaints had been filed by Defective Vehicle owners prior to 2017.
- 213. Furthermore, the February 2020 Recall contains the same inadequacies as the 2018 Recall in that it does not attempt to address the risk of moisture entering and/or accumulating in the ABS control module.
- 214. The "remedy" also fails to address the risk of engine compartment fires while the car is in operation. This serious fault in Defendants' "remedy" was seemingly acknowledged by Hyundai America. Following the announcement of the February 2020 Recall, Consumer Reports questioned Michael Stewart, Hyundai America's Senior Group Manager, Corporate & Marketing PR, regarding the risk of a short circuit

occurring in an ABS module while the vehicle is turned on.⁸⁷ Mr. Stewart did not deny that Hyundai America's proposed remedy alleviated this risk; instead, he implied it was the driver's duty to monitor this risk, stating that "[w]hen the vehicle is on, short circuits are preceded by other noticeable symptoms," including a noise or an ABS warning light illuminated on the dashboard.

215. On August 27, 2020, Defendants announced that more than half a million additional Defective Vehicles suffered from the Defect which could result in deadly spontaneous engine compartment fires. Specifically, Hyundai America recalled approximately 151,205 model year 2013-2015 Hyundai Santa Fe Sport vehicles,⁸⁸ and Kia America recalled approximately 9,443 model year 2019 Stinger vehicles equipped with 3.3L T-GDI engines,⁸⁹ approximately 283,803 model year 2013-2015 Kia Optima vehicles and approximately 156,567 model year 2014-2015 Kia Sorento vehicles.⁹⁰ Notably, the recalled Hyundai Santa Fe Sport vehicles, Kia Sorento vehicles, and Kia Optima vehicles were all manufactured by a Kia affiliate in Georgia.⁹¹ Additionally, the Hyundai and Kia vehicles included in the Summer 2020 Recall are part of the NHTSA Investigation.

216. Hyundai America's Part 573 Safety Recall Report for the Santa Fe Sport disclosed "the Defect," revealing that "[t]he subject vehicles are equipped with Anti-lock Brake System ('ABS') modules that could leak brake fluid internally and cause an

⁸⁷ https://www.consumerreports.org/car-recalls-defects/hyundai-elantras-recalled-for-fire-risk/ (last accessed July 16, 2021).

⁸⁸ NHTSA Campaign Number: 20V520000.

⁸⁹ NHTSA Campaign Number: 20V518000.

⁹⁰ NHTSA Campaign Number: 20V519000.

See https://static.nhtsa.gov/odi/rcl/2020/RCMN-20V520-9269.pdf (last accessed July 16, 2021); https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V519-6446.PDF (last accessed July 16, 2021).

electrical short over time." Identical to the prior Recalls, the Safety Recall Report warned of the "Safety Risk" caused by the Defect: "An electrical short in the ABS module could increase the risk of an engine compartment fire." Unlike its prior Recalls, Hyundai provided additional information as to what it believed to be the "cause" of the Defect: "Due to possible quality control deviation with the supplier's manufacturing process, the piston seals in the ABS module's hydraulic valve unit could leak brake fluid into the electronic control unit ('ECU')."

217. Hyundai America claimed in its "Chronology" filed with NHTSA that in April 2018, it learned of "an engine compartment fire on a model year 2014 Hyundai Santa Fe Sport vehicle in the U.S. market." After "search[ing] internal records including warranty claims," Hyundai America purportedly identified other instances and inspected the ABS modules. By June of 2018, Hyundai America "summarized its findings to date and issued a Quality Information Report ('QIR') to HMC." Hyundai America then shipped four incident vehicles to Kia Motor Manufacturing Georgia "for further inspection." At some point in the first half of 2020, the Chronology stated that a third-party testing laboratory identified "a leak path of brake fluid from the ABS hydraulic unit to the PCB contained within the ECU through its connector, causing brake fluid to accumulate and corrode the PCB resulting in an electrical short. Further replication testing confirmed propagation of an electrical fire caused by this short." Hyundai America stated in the Chronology that as of August 2020, "Hyundai [was] aware of fifteen (15) engine compartment fires related to this defect." (Hyundai America

⁹² https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V520-3551.PDF (last accessed July 16, 2021).

⁹³ https://static.nhtsa.gov/odi/rcl/2020/RMISC-20V520-4703.pdf (last accessed July 16, 2021).

does not state whether "Hyundai" refers to Hyundai America or HMC.)

218. In December 2020, Hyundai America issued a Technical Service Bulletin (No. 20-01-046H), which provided dealers with instructions for "ABS MODULE INSPECTION[S]." The "Part" subject to the inspection was named the "Hydraulic Unit Assy." The Bulletin "describes the procedure to inspect the ABS module and replace *if necessary*." Like its earlier "remedies," Hyundai America acknowledged that 2013-2015 Hyundai Santa Fe Sport vehicles were defective and prone to vehicle fires; yet it would only replace the defective ABS control modules if a Hyundai agent subjectively determines that it is appropriate. Given that Hyundai has failed to determine with any specificity the cause of the Defect, such arbitrary ad hoc replacements do not suffice to address the Defect which can destroy any given Defective Vehicle without warning.

219. Similarly, Kia America stated in its Part 573 Safety Recall Report for the 2013-2015 Kia Optima and 2014-2015 Kia Sorento vehicles suffered from a "Defect" which can cause "brake fluid [to] leak internally inside the Hydraulic Electronic Control Unit (HECU) which over time, can result in an electrical short." Further, like Hyundai, the "Remedy Program" Kia offered is deficient in that it will only replace the defective components upon an "inspection" by one of its employees or agents. If an employee determines that there is no present brake fluid leak into the HECU, Kia will not replace the defective component and will leave owners in harm's way, waiting for their vehicle to erupt at any moment. The TSB issued by Kia America concerning this Remedy (titled: "HECU/ABS Module Parasitic Current Draw Test and Replacement") instructs dealers

 $^{^{94}\} https://static.nhtsa.gov/odi/rcl/2020/RCRIT-20V520-8334.pdf$ (last accessed July 16, 2021).

to inspect the "HECU Assembly" in vehicles subject to the Recall. 95

220. In the "Chronology" filed with NHTSHA, Kia claims that it learned of a complaint related to the Defect in 2013-2015 Kia Optima and 2014-2015 Kia Sorento vehicles on February 5, 2020 when KMA "receive[d] [an] electrical failure complaint for 2015 Kia Sorento... [and the] Dealer identifie[d] Hydraulic Electric Control Unit (HECU) melted." On May 27, 2020, KMA "identifie[d] localized heat damage to HECU connector and circuit board near connector[,]" and sent the collected parts to KMC for "further evaluation." In June of 2020, KMC determined that the HECU was "internally damaged and melted possibly due to leaking brake fluid."

221. As for Kia America's recalled Stinger vehicles, the company's Safety Recall Report warned that "[a]n engine compartment fire may occur while driving in the area where the Hydraulic Electronic Control Unit (HECU) is located. *The cause of fire is currently unknown*." Despite the deadly risk of a fire, Kia offered no "remedy" for the Defect in Stinger vehicles.

222. In the Chronology that Kia America filed with respect to 2019 Stinger, the company states that in August 2019, it received engine compartment fire complaints and identified the right rear engine compartment as the origin. ⁹⁷ In September 2019, Kia America received another report of engine compartment fires and transported both vehicles to its offices for inspection. In December 2019, "KMA, NHTSA and Kia Motors Corporation (KMC) conduct 2nd inspection of 2019 Stinger" and the "area of engine

⁹⁵ https://static.nhtsa.gov/odi/rcl/2020/RCRIT-20V519-7083.pdf (last accessed July 16, 2021).

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V518-1403.PDF (last accessed July 16, 2021).

⁹⁷ https://static.nhtsa.gov/odi/rcl/2020/RMISC-20V518-9947.pdf (last accessed July 16, 2021).

room and relay box, HECU and battery cable pass-through in the fender" were identified as the origin of the fire. According to the Chronology, Kia America identified four additional fire incidents in May-June 2020. On July 29, 2020, Kia America purportedly informed KMC that it had identified damage to the HECUs PCBs, which results in KMC "evaluat[ing] [the] incidents and confirm[ing] that all the fires occurred in" similar Stinger models.

223. The following week, on September 4, 2020, Hyundai America announced that it was recalling approximately 180,000 model year 2019-2021 Tucson vehicles "produced by [HMC]" because they "may contain a defective circuit board in the ABS brake hydraulic electronic control unit (HECU)." The recalled Tucson vehicles are also part of the NHTSA Investigation.

224. Like each of the previous recalled vehicles, Hyundai stated that the ABS modules found in 2019-2021 Tucson vehicles "could corrode internally and cause an electrical short over time, resulting in an engine compartment fire[,]" which could occur "while parked or driving." Describing the "Cause" of the Defect, Hyundai America stated that "[f]lux residue from the soldering process at the supplier could accumulate on the ABS module's main controller board (PCB). With exposure to heat and humidity, the residue could result in a corrosive path and an electrical resistance short." Hyundai America stated that the Defect posed a "Safety Risk" of "[a]n electrical short in the ABS module could increase the risk of an engine compartment fire."

225. Hyundai America stated in its "Chronology" that in July of 2019, it "received

⁹⁸ NHTSA Campaign Number: 20V543000. See https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V543-3344.PDF (last accessed July 16, 2021).

a report involving a 2019 Hyundai Tucson that allegedly caught fire while driving" and that "[t]he customer alleged a technician believed that the fire may have come from the ABS module." "Hyundai was able to inspect the vehicle and recover the ABS module for further investigation by HMC and the supplier." Again it stated that at some point between "January 2020 – July 2020," Hyundai America retained a third-party laboratory to evaluate and identify "an ABS module failure mechanism and relative root cause" in its 2019-2021 Tucson vehicles. The third-party laboratory found evidence of electrical shorts caused by corrosion on the ABS module's PCB and conducted a spectrum analysis of the corrosion residue. "The test laboratory deduced that the residue could have been created by a corrosive reaction between byproducts of the reflow solder, containing tin, and various copper and silicon-based elements on the PCB, resulting in an electrical short."

226. Hyundai America warned Defective Vehicle owners that they should park their "vehicles outside and away from structures until the recall remedy is completed." But Hyundai America's "Remedy Program" for Tucson vehicles fares no better than its previous recalls. In its Part 573 Safety Recall Report filed in September 2020, Hyundai failed to state whether it will replace all defective ABS modules found in 2019-2021 Tucson vehicles.

227. On December 30, 2020, Hyundai America expanded its recall of Hyundai Tucson vehicles to include model years 2016-2018 produced by HMC, with the recall now exceeding 650,000 Tucson vehicles. As part of its amended Part 573 Safety Recall Report, dated December 30, 2020, Hyundai America provided the same "Description of the Defect" as earlier, but now calls the defective component an "ABS module" rather than an "HECU": "The subject vehicles are equipped with Anti-Lock Brake System

('ABS') modules that could malfunction internally and cause an electrical short over time potentially resulting in an engine compartment fire."99

228. Hyundai America stated in its amended "Chronology" that following the Summer Recall, "Hyundai continued its investigation into potential root causes by analyzing warranty part returns. Although unsuccessful in determining an exact root cause, HMC concluded that the risk of an electrical short resulting in a fire could be mitigated by limiting the operating current in the ABS module through a lower amperage fuse." The Chronology further stated that in December 2020, HMC confirmed additional incidents in Tucson vehicles caused by the defect. As of December 2020, "Hyundai is aware of twelve (12) engine compartment fires related to this defect in the U.S. Hyundai is aware of 9 fires in model year 2019 vehicles, 2 fires in 2020 model years and a single fire in a 2021 model. There are no related fires involving model year 2016-2018 vehicles in the U.S; however, ABS module fires have been confirmed in regional markets outside the U.S. for the affected 2016-2018 Tucson population."

229. Also on December 30, 2020, Kia America expanded its recall of Stinger vehicles to include 2018-2021 Stinger vehicles. In its amended Part 573 Safety Recall Report, Kia America reiterated that the "[e]xact cause remains unknown. However, it is believed that an electrical short circuit within the HECU is a possible cause of this condition." Kia America also filed an amended Chronology, wherein it states that on December 22, 2020, it expanded the recall because KMC advised it "that Hyundai is

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V543-3047.PDF (last accessed July 16, 2021).

https://static.nhtsa.gov/odi/rcl/2020/RMISC-20V543-4082.pdf (last accessed July 16, 2021).

https://static.nhtsa.gov/odi/rcl/2020/RCLRPT-20V518-4450.PDF (last accessed July 16, 2021).

expanding its recall to include the 2016-2021MY Tucson globally which is equipped with the same HECU as the Kia Stinger."¹⁰²

230. On March 4, 2021, Kia America announced a new recall of over 370,000 vehicles, comprised of 2017-2021 Sportage and 2017-2019 Cadenza vehicles. ¹⁰³ In its Recall Report, Kia America described the "Defect," "Safety Risk," and "Cause": ¹⁰⁴

<u>Description of the Defect</u>: An engine compartment fire may occur in the area where the Hydraulic Electronic Control Unit (HECU) is located. The electrical circuit within the HECU may experience a short circuit condition that results in excessive current, thereby increasing the risk of an engine compartment fire.

<u>Description of the Safety Risk</u>: Fire increases the risk of injury.

<u>Description of the Cause</u>: Electrical short circuit within the HECU. However, exact cause of electrical short circuit condition is unknown.

- 231. Kia America also warned drivers to "park outside and away from structures as a precaution" in order to avoid catastrophic fires.
- 232. On March 10, 2021, Hyundai America recalled 94,645 2015-2016 Hyundai Genesis and 2017-2020 Hyundai Genesis G80 vehicles, because the vehicles "are equipped with Anti-Lock Brake System ('ABS') modules that could malfunction internally and cause an electrical short over time potentially resulting in an engine

https://static.nhtsa.gov/odi/rcl/2020/RMISC-20V518-5626.pdf (last accessed July 16, 2021).

¹⁰³ NHTSA Campaign No.: 21V137000.

https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V137-3072.PDF (last accessed July 16, 2021).

compartment fire."¹⁰⁵ Hyundai America has yet to determine the cause of the Defect in the Genesis vehicles. However, in the Chronology filed by Hyundai America, the company states that the ABS module in one of the Genesis vehicles it investigated prior to issuing the recalls had "moisture contamination."¹⁰⁶

- 233. Hyundai America warned Genesis drivers that the defect created "the risk of an engine compartment fire while parked or driving," and therefore, "Hyundai recommends parking these vehicles outside and away from structures[.]" ¹⁰⁷
- 234. On April 28, 2021, Hyundai America announced a second recall for Hyundai Santa Fe Sport (model years 2013-2015), replacing the Summer 2020 Recall. Hyundai iterated that the Defect was "cause[d]" by a "a possible quality control deviation with the supplier's manufacturing process," which causes "the piston seals in the ABS module's hydraulic valve unit [to] leak brake fluid into the electronic control unit ('ECU')." 109
- 235. In the Chronology filed by Hyundai America, the company stated that after the initial recall of Santa Fe Sport vehicles, "HMC developed a new ABS module multifuse with a lower amperage rating and conducted replication testing to confirm its effectiveness in safeguarding the module from issues stemming from overcurrent."¹¹⁰

¹⁰⁵ NHTSA Campaign No.: 21V160000. https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V160-1906.PDF (last accessed July 16, 2021).

¹⁰⁶ https://static.nhtsa.gov/odi/rcl/2021/RMISC-21V160-9268.pdf (last accessed July 16, 2021).

https://static.nhtsa.gov/odi/rcl/2021/RIONL-21V160-6573.pdf (last accessed July 16, 2021).

¹⁰⁸ NHTSA Campaign No.: 20V520000.

https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V303-5849.PDF (last accessed July 16, 2021).

https://static.nhtsa.gov/odi/rcl/2021/RMISC-21V303-7845.pdf (last accessed July 16, 2021).

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Hyundai America stated that as part of the "remedy" for the safety risk, it would determine whether it was "necessary" to replace the defective ABS modules, and would install an ABS multi-fuse that is rated at a lower amperage to limit the operating current of the ABS module.

236. Hyundai America also disclosed in the Chronology that the number of engine compartment fire incidents caused by the Defect were greater than previously disclosed.¹¹¹

237. On May 10, 2021, Kia America announced a new recall for the previously recalled Kia Optima (model years 2013-2015) and Kia Sorento (model years 2014-2015). 112 Like Hyundai announced with its replacement recall for Santa Fe Sport vehicles, Kia America stated that it would leave the defective HECUs in place unless there are present signs of brake fluid leaking, and will install a new multi-fuse. 113 Kia America also disclosed in its "Chronology" that there is "[o]ne (1) dealer report of isolated melting in an Optima vehicle following completion of the 20V-519 recall remedy."

238. Accordingly, each of the Defective Vehicles remains a present danger to all drivers, owners, and bystanders.

Hyundai America and Kia America falsely claim to offer the best warranty G. program in the nation.

239. Hyundai America and Kia America advertise their warranty program as

¹¹¹ https://static.nhtsa.gov/odi/rcl/2021/RMISC-21V303-7845.pdf (last accessed July 16, 2021).

¹¹² NHTSA Campaign No.: 21V331000.

¹¹³ https://static.nhtsa.gov/odi/rcl/2021/RCLRPT-21V331-5686.PDF (last accessed July 16, 2021).

¹¹⁷ NHTSA ID No.: 11140848.

"industry-lead[ing]" and "America's Best Warranty." But in reality, Hyundai America's and Kia America's warranty programs bring little comfort to Defective Vehicle owners. Despite Hyundai America's and Kia America's promises, they have consistently evaded their warranty obligations by failing to inform consumers that their vehicles are defective and by refusing to cover damages caused by the Defect.

240. In many instances, consumers have incurred and will continue to incur expenses for the diagnosis of the Defect (despite such Defect having been contained in the Defective Vehicles when manufactured by Defendants), repair and replacement of various vehicle parts as a result of damage caused by the Defect.

241. Furthermore, a number of Class Members who presented their Defective Vehicles to Hyundai America and Kia America dealerships because of issues related to the Defect were denied warranty repairs and, instead, were informed that nothing was wrong with their vehicles. As a result, after expiration of the warranty period, Class Members are often forced to pay costly repairs to correct the Defect.

242. For example, in 2011, following the first reported fire caused by the Defect, the owner of the destroyed 6-month old 2010 Hyundai Elantra Touring reported that Hyundai "refused to replace the vehicle or reimburse [the owner] for any other expenses related to the fire." ¹¹⁶

243. In September 2018, an owner of a 2009 Hyundai Elantra "woke up around 5 am to find the Elantra fully engulfed in flames in the front end." The owner then went

¹¹⁴ https://owners.kia.com/us/en/service-page/warranty.html (last accessed July 16, 2021).

https://www.hyundaiusa.com/us/en/assurance/america-best-warranty (last accessed July 16, 2021).

NHTSA ID No.: 10398944.

¹¹⁸ NHTSA ID No.: 11090369.

¹¹⁹ NHTSA ID No.: 11089996.

¹²⁰ NHTSA ID No.: 11308166.

to a Hyundai dealership where a Hyundai representative stated that the damage was not covered by the warranty, without even inspecting the vehicle.

244. In April of 2018, an owner of a 2007 Kia Sedona reported to Kia that the engine compartment of their vehicle had suddenly caught fire after being parked for about an hour, which resulted in the total loss of the vehicle. Instead of recalling the vehicle due to the dangerous Defect, Kia told the owner that the fire and loss of the vehicle was "NOT THEIR PROBLEM." That same month, an owner of a 2008 Kia Sorento reported that they were awoken "by [an] EMS to [his or her] car up in flames." The owner reported that the fire department stated that "the fire started behind the steering wheel/dash and that it was an electrical engine fire." After the owner contacted Kia regarding the unexplainable, the owner was told "IT WAS NO WAY IT WAS THEIR PROBLEM AND HAD TO BE A USER ERROR."

245. In fact, days before Defendants announced the February 2020 Recall, Kia denied coverage of a claim caused by the Defect. On February 10, 2020, an owner of a 2007 Kia Sedona reported that the day prior the owner's car suddenly began to smoke under the hood by the HECU. 120 After reporting the fire to Kia, the owner was told "SORRY BUT IT[']S AN OUT OF POCKET EXPENSE, [THE] CAR IS NOT UNDER WARRANTY AND THERE ARE NO RECALLS."

246. Since issuing the Recalls for the Defective Vehicles, numerous owners reported that Hyundai America's and Kia America's authorized dealerships were unable to perform the "remedy" procedures laid out in the Recall documents because the parts

were unavailable. 121

247. When an owner of a 2019 Hyundai Tucson brought their vehicle in pursuant to the Recall, the Hyundai dealership stated that the Class Member need not worry about the unavailability of a remedy for the Defect and that they need "not worry about it until the check engine light comes on[.]" An owner of a 2020 Hyundai Tucson was "advised" by Hyundai that they should not use their vehicle due to "the problem," yet was told by Hyundai customer service that they would only be entitled to a loaner vehicle "if the abs light comes on." Rightfully disgruntled by Hyundai's disregard, the owner complained: "SO, HERE I AM WITHOUT A SAFE, RELIABLE CAR AND HYUNDAI WILL NOT DO ANYTHING TO HELP ME. WHAT CAN BE DONE?"

248. Similarly, an owner of a 2014 Kia Sorrento reported on March 20, 2021, that he or she was told by the "local Kia dealer months ago" that he or she would be put on a "waitlist" for the remedy parts but that it has been months and the car remains a danger. 124 The owner lamented: "They say they still don't have the parts. Now it's leading to other problems with the engine and *I eventually want to sell the car, but nothing can get done until this recall is fixed*! Because of the recall, my car is at risk of catching on fire so I can't park in my garage. It's unsafe having to wait months to get a recall like this fixed!"

H. Fraudulent Omission/Concealment Allegations

249. Absent discovery, Plaintiffs are unaware of, and unable through reasonable

¹²¹ *E.g.*, NHTSA ID Nos.: 11321732 (filed April 20, 2020), 11320439 (filed April 7, 2020), 11329061 (filed June 15, 2020), 11376174 (filed November 24, 2020), 11406359 (filed April 4, 2021), 11413183 (filed April 21, 2021), 11416247 (filed May 12, 2021), 11399615 (filed March 7, 2021), 11413920 (filed April 26, 2021), 11414947 (filed May 3, 2021), and 11403996 (filed March 20, 2021).

¹²² NHTSA ID Number: 11362761.

¹²³ NHTSA ID Number: 11359842.

¹²⁴ NHTSA ID Number: 11403996.

investigation to obtain, the true names and identities of those individuals employed by Defendants responsible for making false and misleading statements regarding the Defective Vehicles. Defendants necessarily are in possession of all of this information. Plaintiffs' claims arise out of Defendants' fraudulent omission/concealment of the Defect, despite their representations about the quality, reliability, and safety of the Defective Vehicles.

- 250. Plaintiffs allege that at all relevant times, including specifically at the time they and Class Members purchased their Defective Vehicles, Defendants knew, or were reckless in not knowing, of the Defect; Defendants had a duty to disclose the Defect based upon their exclusive knowledge; and Defendants never disclosed the Defect to Plaintiffs or the public at any time or place in any manner prior to the Recalls.
- 251. Plaintiffs make the following specific concealment/omission-based allegations with as much specificity as possible absent access to the information necessarily available only to Defendant:
- 252. *Who*: each Defendant (Hyundai America, HMC, Kia America, and KMC) actively concealed and omitted the Defect from Plaintiffs and Class Members while simultaneously touting the safety and dependability of the Defective Vehicles, as alleged herein. Plaintiffs are unaware of, and therefore unable to identify, the true names and identities of those specific individuals responsible for such decisions.
- 253. *What*: that the Defective Vehicles contain the Defect, as alleged herein. Defendants concealed and omitted the Defect while making representations about the safety, dependability, and other attributes of the Defective Vehicles, as alleged herein.
- 254. *When*: Defendants concealed and omitted material information regarding the Defect at all times while making representations about the safety and dependability of

the Defective Vehicles on an ongoing basis, and continuing to this day. Defendants still have not disclosed the truth about the full scope of the Defect in the Defective Vehicles. And when consumers brought their vehicles to Hyundai America and Kia America dealerships or called Defendants' respective customer service and warranty departments complaining of the Defect, Defendants denied any knowledge of or an adequate repair for the Defect.

255. Where: Defendants concealed and omitted material information regarding the true nature of the Defect in every communication they had with Plaintiffs and Class Members and made representations about the quality, reliability, and safety of the Defective Vehicles. Plaintiffs are aware of no document, communication, or other place or thing, in which Defendant disclosed the truth about the full scope of the Defect in the Defective Vehicles prior to the Recalls. Such information is not adequately disclosed in any sales documents, displays, advertisements, warranties, owner's manuals, or on Defendants' websites. There are channels through which Defendants could have disclosed the Defect, including, but not limited to, (1) point of sale communications; (2) the owner's manual; and/or (3) direct communication to Class Members through means such as state vehicle registry lists and e-mail notifications.

256. *How*: Defendants concealed and omitted the Defect from Plaintiffs and Class Members and made representations about the quality, safety, and dependability of the Defective Vehicles. Each Defendant actively concealed and omitted the truth about the existence, scope, and nature of the Defect from Plaintiffs and Class Members at all times, even though they each knew about the Defect and knew that information about the Defect would be important to a reasonable consumer, and Defendants promised in their marketing materials that Defective Vehicles have qualities that they do not have.

257. Why: Defendants actively concealed and omitted material information about the Defect in the Defective Vehicles for the purpose of inducing Plaintiffs and Class Members to purchase and/or lease Defective Vehicles, rather than purchasing or leasing competitors' vehicles, and made representations about the quality, safety, and durability of the Defective Vehicles. Had Defendants disclosed the truth, for example, in their advertisements or other materials or communsications, Plaintiffs and Class Members (all reasonable consumers) would have been aware of it, and would not have bought or leased the Defective Vehicles or would not have paid as much for them.

V. TOLLING OF STATUTES OF LIMITATIONS

258. Any applicable statute(s) of limitations have been tolled by Hyundai America's, HMC's, Kia America's, and KMC's knowing and active concealment and denial of the facts alleged herein. Plaintiffs and the members of the Class could not have reasonably discovered the true, latent nature of the Defect until shortly before the Recalls were issued or the commencement of this action. Plaintiffs' claims were thus tolled pursuant to the discovery rule and for fraudulent concealment.

A. Discovery Rule

- 259. The causes of action alleged herein did not accrue until Plaintiffs and Class members discovered that their Defective Vehicles contained the Defect.
- 260. As shown by Plaintiffs' and other Defective Vehicle owners' experiences alleged above, Class Members had no way of knowing about the Defect in their Defective Vehicles. Hyundai America, HMC, Kia America, and KMC concealed their knowledge of the Defect while Kia America and Hyundai America continued to market and sell the Defective Vehicles as safe, high-quality, and reliable vehicles. To this day, after multiple

Recalls, Defendants failed to disclose the full extent of the Defect and the inadequacies with Hyundai America and Kia America's proposed "remedies."

261. Within any applicable statutes of limitation, Class Members could not have discovered through the exercise of reasonable diligence that Hyundai America, HMC, Kia America, and KMC were concealing the conduct complained of herein and misrepresenting the true qualities of the Defective Vehicles.

262. Class Members did not know facts that would have caused a reasonable person to suspect that there was a Defect within their ABS affecting their vehicle and an ordinary person would be unable to appreciate that the vehicle was defective. Indeed, even after Class Members contacted Kia America and Hyundai America and/or their authorized dealers for vehicle repairs concerning the Defect, they were routinely told by Defendants and/or through their dealers that the Defective Vehicles were not defective, Defendants were not responsible, and/or they were offered a "remedy" that leaves the defective ABS control modules in the vehicle and does not alleviate the risk of fires. As described above, the true cause of the engine compartment fires and short-circuiting in the Defective Vehicles is a defect caused by, *inter alia*, the defective design of ABS control modules and new relays or fuses do not adequately address the full risk posed by the Defect.

263. For these reasons, all applicable statutes of limitation have been tolled by operation of the discovery rule with respect to the claims in this litigation.

B. Estoppel

264. Hyundai America, HMC, Kia America, and KMC were, and are, under a continuous duty to disclose to Plaintiffs and Class members the true character, quality, and nature of the Defective Vehicles. Hyundai America, HMC, Kia America, and KMC

failed to disclose the existence of the Defect and actively concealed the true character, quality, and nature of the Defective Vehicles while knowingly making representations about the quality and reliability of the Vehicles. Plaintiffs and Class members reasonably relied upon each Defendant knowing and affirmative representations and/or active concealment of these facts. Based on the foregoing, each Defendant is estopped from relying on any statutes of limitation in defense of this action.

C. Fraudulent Concealment

265. As the manufacturers, distributors, sellers, and/or warrantors of the Defective Vehicles, Hyundai America, HMC, Kia America, and KMC were under a continuous duty to disclose to Class Members the existence of the Defect found in the Defective Vehicles.

266. Defendants were and remain under a continuing duty to disclose to Plaintiffs and the Members of the Class the true character, quality, and nature of the Defective Vehicles, that the Defect found in the Defective Vehicles will result in catastrophic engine compartment fires, that they will require costly repairs, pose safety concerns, cause damage to their personal property, and diminish the resale value of the Defective Vehicles.

- 267. Hyundai America, HMC, Kia America, and KMC recklessly disregarded the true nature, quality, and character of the Defective Vehicles, by failing to disclose the existence of the Defect.
- 268. Due to each Defendant's concealment throughout the time period relevant to this action, all applicable statutes of limitation have been tolled.
- 269. Instead of publicly disclosing the Defect in the Defective Vehicles, Defendants kept owners and lessees in the dark about the Defect present in their vehicles

which creates an unreasonable risk of catastrophic engine compartment fires. To this day, Defendants have knowingly or recklessly failed to disclose the full extent of the Defect and the inadequacies with their proposed remedies.

270. As shown by Plaintiffs' experience alleged above, Class Members were not at fault for failing to discover the existence of the Defect present in their Defective Vehicles. Until Plaintiffs experienced a catastrophic fire caused by the Defect or learned of the Recalls, Plaintiffs had no actual or presumptive knowledge of facts sufficient to put them on inquiry notice of such a connection. This ignorance of the existence of the Defect present in the Defective Vehicles is common across each Plaintiff and Class member.

VI. CALIFORNIA LAW APPLIES TO NATIONWIDE CLAIMS

- 271. California law applies to Plaintiffs' nationwide claims because Plaintiffs' injuries emanate from Hyundai America's and Kia America's actions in California. Each pertinent decision related to the decision to conceal the Defect from Class Members, including the marketing, commercial distribution, and recall process for the Defective Vehicles in the United States, was made from Hyundai America's and Kia America's California headquarters by their respective executives and employees located in California.
- 272. Defendant Hyundai America is headquartered in Fountain Valley, California and is the sole entity in the United States responsible for distributing, selling, leasing, and warranting Hyundai Defective Vehicles.
- 273. On Hyundai America's website, the company promotes a quote by Brandon Ramirez, Sr. Group Manager of Product Public Relations (who is based in Fountain

Valley),¹²⁵ which states that "[e]very aspect of a car model, from the initial concept all the way until it launches and even planning the next generation, happens right here in the U.S."¹²⁶

274. Hyundai America maintains its C-Suite, and its engineering, marketing, customer relations, and warranty departments at its Fountain Valley offices.

275. José Muñoz serves as the Global Chief Operating Officer of HMC and the President and CEO of Hyundai America.¹²⁷ "Based in Hyundai's U.S. headquarters in Fountain Valley, California," Mr. Muñoz oversees the entire American market.

276. Brian K. Latouf serves as the Chief Safety Officer of Hyundai America. ¹²⁸ Based in California, Mr. Latouf is responsible for all safety regulation matters, including the strategic legal direction and oversight of all safety investigations and recalls in the U.S., Canada and Mexico.

277. Wayne Gates serves as Director of Product Analysis Group at Hyundai America. 129 Based in Fountain Valley, California, Mr. Gates oversees, among other things, safety, compliance, and regulatory issues involving Hyundai vehicles, and

¹²⁵ https://www.linkedin.com/in/brandon-ramirez-b891265 (last accessed July 14, 2020).

¹²⁶ https://www.hyundaiusa.com/us/en/why-hyundai/made-in-america?adobe_mc=MCMID%3D30603612254771590111736190199937139533%7C MCORGID%3DC3BCE0154FA24300A4C98A1%2540AdobeOrg%7CTS%3D162611 8865 (last accessed July 15, 2020).

https://www.hyundainews.com/en-us/bios/jose-munoz (last accessed July 15, 2020).

https://www.hyundainews.com/en-us/bios/brian-latouf (last accessed July 14, 2020); https://www.linkedin.com/in/brian-latouf-b6a8b7b4/ (last accessed July 14, 2020).

https://www.linkedin.com/in/wayne-gates-b8a85b7/ (last accessed July 15, 2020).

liaisons with NHTSA regarding Hyundai recalls. 130

278. Omar Rivera serves as Hyundai America's Director of Quality and Service Engineering.¹³¹ Based in Fountain Valley, California, Mr. Rivera and his team are responsible for model line engineering and engineering analysis, among other responsibilities.¹³²

279. Paul Imhoff serves as Director of Customer Experience at Hyundai America. ¹³³ Based in California, Mr. Imhoff is responsible for the "customer experience for Hyundai in the U.S." ¹³⁴ and "directly leads the teams responsible for executing owner communications, service marketing, and customer feedback and support." Prior to his current role, Mr. Imhoff served as Hyundai America's Director of Marketing Communications, where "he was responsible for brand strategy, national and regional advertising, experiential marketing, auto shows, branded content, social media and multicultural marketing."

280. Danial Kim serves as the Senior Group Manager of North America Safety Office at Hyundai America at the company's offices in California, and previously served as a Senior Manager of Engineering & Design Analysis. ¹³⁵ Mr. Kim serves as Hyundai's "[l]iaison responsible for corporate compliance with NHTSA enforcement of potential

¹³⁰ Id.; https://static.nhtsa.gov/odi/rcl/2020/RCAK-20V543-1854.pdf (last accessed July 15, 2020).

¹³¹ https://www.hyundainews.com/en-us/bios/omar-rivera (last accessed July 15, 2020).

¹³² *Id.*; https://www.linkedin.com/in/omar-rivera-a917363/(last accessed July 15, 2020).

https://www.hyundainews.com/en-us/bios/paul-imhoff(last accessed July 15, 2020).

Id.; https://www.linkedin.com/in/pimhoff/ (last accessed July 15, 2020).

https://www.linkedin.com/in/daniel-kim-60013228/ (last accessed July 15, 2020).

safety-related product defects." Mr. Kim also "facilitate[es] product safety recall/campaign decisions in accordance with federal regulation and guidelines, manage[s][]TREAD compliance program including EWR reporting, collaboration with ODI in joint product safety investigations, recall filing and completion reporting, coordinating with overseas R&D, manufacturing, and service in identifying and closing potential safety defects."

281. Cole Stutz serves as the Director of Safety Field Investigations at Hyundai America. ¹³⁶ Based in Fountain Valley, California, Mr. Stutz liaisons with NHTSA regarding Hyundai recalls, among other things. ¹³⁷

282. Scott Stewart serves as the Senior Group Manager of Safety Field Investigations at Hyundai America and is based at the company's offices in California. 138

283. Barry Ratzlaff serves as the Chief Customer Officer of Hyundai America. ¹³⁹ In this role, he is responsible for Hyundai's customer experience strategy, retail process, sales and service training, product quality and service engineering. Mr. Ratzlaff is a 30-year automotive veteran with roles in manufacturing, quality and product development. Mr. Ratzlaff is based in Fountain Valley, California.

284. Angela Zepeda serves as the Chief Marketing Officer for Hyundai

¹³⁶ https://www.linkedin.com/in/cole-stutz-2b7796103/ (last accessed July 15, 2020).

¹³⁷ *Id.*; https://static.nhtsa.gov/odi/rcl/2021/RCAK-21V303-6447.pdf (last accessed July 15, 2020).

¹³⁸ https://www.linkedin.com/in/scott-stewart-10048094/ (last accessed July 15, 2020).

https://www.hyundainews.com/en-us/bios/barry-ratzlaff (last accessed July 14, 2021); https://www.linkedin.com/in/barry-ratzlaff-54b40811/ (last accessed July 14, 2021).

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America. 140 Based in Fountain Valley, California, Ms. Zepeda "is responsible for all of Hyundai's marketing and advertising activities in the U.S., including the strategic direction, brand development, national and regional advertising, experiential marketing, digital and social media, brand partnerships, and lead generation, among other responsibilities."141

285. Randy Parker serves as Senior Vice President of National Sales for Hyundai America. 142 Based in Fountain Valley, California, Mr. Parker "is responsible for all aspects of sales and distribution of Hyundai vehicles in the U.S., including sales strategies, fleet and certified pre-owned operations, dealer relations, market representation, and other related activities with the mission to grow Hyundai sales and market share."143 Mr. Parker "also oversees Hyundai's seven regions that work directly with Hyundai retailers on sales and service."

286. Fred DePerez serves as the Vice President of Product Line Management and Sales Planning for Hyundai America. 144 Based in Fountain Valley, California, Mr. DePerez oversees Product Line Management, Sales Planning, and Retail Operations. 145

287. Robert Grafton serves as an Executive Director of Dealer Development &

¹⁴⁰ https://www.hyundainews.com/en-us/bios/angela-zepeda (last accessed July 15, 2020).

¹⁴¹ Id.; https://www.linkedin.com/in/angela-zepeda-8bb8293/ (last accessed July 15, 2020).

¹⁴² https://www.hyundainews.com/en-us/bios/randy-parker (last accessed July 15, 2020).

¹⁴³ Id.; https://www.linkedin.com/in/randy-parker-24806232/ (last accessed July 15, 2020).

¹⁴⁴ https://www.hyundainews.com/en-us/bios/fred-deperez (last accessed July 15, 2020).

145 *Id.*; https://www.linkedin.com/in/freddeperez/ (last accessed July 15, 2020).

Strategy for Hyundai America.¹⁴⁶ Based in Fountain Valley, California, Mr. Grafton is "responsible for managing and implementing the Hyundai dealer network strategy by optimizing retail representation and improving dealer relations."¹⁴⁷

288. David VandeLinde is the Executive Director of After-Sales for Hyundai America and based in Fountain Valley, California. ¹⁴⁸ In this role, Mr. VandeLinde is responsible for leading dealer service programs and operations, parts and accessory sales, and owner marketing. Prior to his current role, Mr. VandeLinde served as the director of Dealer Service Process where he oversaw Hyundai's retail service process, parts planning, parts and service field ops, and parts and service training. Mr. VandeLinde led a team of over fifty team members who were responsible for in Service Analytics and Technician Retention. Mr. VandeLinde was also central to Hyundai America "establishing and operationalizing a platform for gathering and publishing dealer best practices, developing and publishing the first ever Hyundai Service Process Manual (the Car Care Process Guide), and revolutionizing Hyundai's approach to field training to be more experiential."

289. Kate Fabian serves as the director of Marketing Communications for Hyundai America. 149 Based in Fountain Valley, California, Ms. Fabian "is responsible for brand strategy and planning, multicultural marketing, media strategy, national and regional dealer advertising, experiential marketing, branded content and social

¹⁴⁶ https://www.hyundainews.com/en-us/bios/robert-grafton (last accessed July 15, 2020).

¹⁴⁷ *Id.*; https://www.linkedin.com/in/robertgrafton/ (last accessed July 15, 2020).

¹⁴⁸https://www.hyundainews.com/en-us/bios/david-vandelinde (last accessed July 15, 2020).; https://www.linkedin.com/in/dave-vandelinde-6b2b2078/ (last accessed July 15, 2020).

¹⁴⁹ https://www.hyundainews.com/en-us/bios/kate-fabian-- (last accessed July 15, 2020).

1 | media."¹⁵⁰

290. Ricky Lao serves as Hyundai America's Director of Product Planning. ¹⁵¹ Based in Fountain Valley, California, Mr. Lao and his team are "responsible for leading the product planning process from concept phase through product launch, and subsequent lifecycle management, for all current and future cars and SUVs representing the Hyundai North American market."

291. Additionally, Hyundai America's "Customer Care Center," which handles customer complaints and warranty inquiries for Hyundai Defective Vehicle owners and lessees, is located in Fountain Valley.¹⁵²

292. On information and belief, Hyundai America's website, including the "Consumer Assistance Center" webpage,¹⁵³ is managed by Hyundai's marketing and customer service departments located in Fountain Valley.

293. In addition to Hyundai America's engineering and safety investigation teams responsible for post-sale investigations located at its Fountain Valley headquarters, Hyundai America conducts pre-sale durability testing in California, including at its "California Proving Ground" and the "Hyundai Design and Technical Center" located in Irvine. The Hyundai Design and Technical Center is Hyundai America's "90,000-

¹⁵⁰ *Id.*; https://www.linkedin.com/in/kate-fabian-b1150412/ (last accessed July 15, 2020).

https://www.hyundainews.com/en-us/bios/ricky-lao; (last accessed July 15, 2020); https://www.linkedin.com/in/ricky-lao-189303/ (last accessed July 15, 2020).

https://owners.hyundaiusa.com/content/dam/hyundai/us/myhyundai/factory-warranty/2020/Hyundai-USA-ALL-20MY_PRINT-VERSION.pdf (last accessed July 15, 2020).

¹⁵³ https://owners.hyundaiusa.com/us/en/contact-us.html (last accessed July 15, 2020).

¹⁵⁴ http://hyundaiamerica.us/an-american-success-story/u-s-operations/ (last accessed July 15, 2020).

square-foot state-of-the-art facility" and "is home to [Hyundai America] automobile designers, engineers, model-makers and technicians[.]"

294. Defendant Kia America is headquartered in Irvine, California and is the sole entity in the United States responsible for distributing, selling, leasing, and warranting Kia vehicles, including the Kia Defective Vehicles.

295. Kia America's C-Suite, and employees responsible for Kia America's distribution of Defective Vehicles, decision to conceal the Defect, Kia's public statements to the U.S. market concerning Defective Vehicles, as well as the Recalls are also based in California.

296. SeungKyu (Sean) Yoon is the President and CEO of Kia America and is responsible for its strategy and operations in the U.S., including its manufacturing. ¹⁵⁵ Mr. Yoon is based at Kia America's headquarters in Irvine, California.

297. Russell Wager serves as Kia America's Vice President of Marketing and oversees all of the company's marketing communications including the marketing operations, customer journey, and public relations areas.¹⁵⁶ Mr. Wager is based at Kia America's headquarters in Irvine, California.

298. James Bell is the Head of Public Relations at Kia America, where he oversees communications strategy, media relations, internal communications and Corporate

https://www.kiamedia.com/us/en/media/pressreleases/13858/seungkyu-sean-yoon-1 (last accessed July 15, 2020); https://www.linkedin.com/in/seungkyu-sean-yoon-3251b1a9/ (last accessed July 15, 2021); https://www.automotiveworld.com/news-releases/kia-america-debuts-in-us-new-name-replaces-kia-motors-america-as-part-of-kia-corporation-global-brand-strategy/ (last accessed July 15, 2021).

https://www.kiamedia.com/us/en/media/pressreleases/17221/russell-wager (last accessed July 15, 2020); https://www.linkedin.com/in/russell-wager/ (last accessed July 15, 2020).

Social Responsibility efforts.¹⁵⁷ From his office in Orange County, California, Mr. Bell is responsible for, *inter alia*, "rais[ing] awareness and consideration for the KIA brand," "[p]roviding communications counsel to executive team and President," and "[a]cting as primary company spokesperson and directing communications to external audiences regarding Kia's brand/vehicle attributes and values." ¹⁵⁸

299. J.S. (Jurassic) Park serves as Kia America's Chief Safety Officer and Vice President of Regulatory Compliance. Based at Kia America's headquarters in Irvine, California, Mr. Park participates in all safety-recall decision-making for the U.S. market and acts as the company's liaison with NHTSA regarding Kia recalls, among other things.

300. Kia America's Regulatory Compliance managers and employees are also located at its headquarters in Irvine, California. The Regulatory Compliance office works with KMC and its affiliates (including HATCI) to, *inter alia*, monitor safety regulatory issues and advise on statements made to consumers, including on Monroney labels.

301. Additionally, Kia America's "Customer Assistance Center" and Consumer Affairs Department, which handles customer complaints and warranty inquiries for Kia

https://www.kiamedia.com/us/en/media/pressreleases/11556/james-bell (last accessed July 15, 2020).

¹⁵⁸ https://www.linkedin.com/in/jamesbellonair/ (last accessed July 15, 2020).

¹⁵⁹ https://static.oemdtc.com/Recall/21V447/RCAK-21V447-9829.pdf (last accessed July 15, 2020); https://static.nhtsa.gov/odi/rcl/2020/RCAK-20V518-6959.pdf (last accessed July 15, 2020).

See https://www.linkedin.com/jobs/view/regulatory-compliance-manager-at-kia-motors-america-2432082551/?refId=db5aad21-355f-41fe-b515-f22f69d9a0e5&trackingId=61TH90nuMf9kICG1U9DG2A%3D%3D (last accessed July 15, 2020).

Defective Vehicle owners and lessees, is located in Irvine, California. 161

302. On information and belief, Kia America's website, including the "Consumer Assistance Center" webpage, ¹⁶² is managed by Kia America's marketing and customer service departments located in Irvine, California.

303. In addition to Kia America's engineering and safety investigation teams responsible for post-sale investigations located at its Irvine headquarters, Kia America conducts pre-sale durability testing in California, including at its "California Proving Ground" and the Hyundai-Kia Design and Technical Center located in Irvine. The "\$30 million state-of-the-art" Design and Technical Center "houses more than 100 auto designers, engineers, model makers and technicians."

304. Finally, while HMC and KMC participated in the investigations of the Defect in Hyundai and Kia vehicles, the ultimate decisions concerning whether to recall the Defective Vehicles were made by Hyundai America and Kia America executives at their respective California headquarters.

VII. CLASS ALLEGATIONS

305. Plaintiffs bring this action pursuant to Rules 23(a), 23(b)(2), and 23(b)(3) of the Federal Rules of Civil Procedure on behalf of themselves and all others similarly situated.

306. Plaintiffs seek to represent a class ("Nationwide Class") under the laws of the state of California defined as:

¹⁶¹https://www.kia.com/us/content/dam/kia/us/en/images/warranty/manual/gener al-warranty-and-consumer-info/2020 warranty.pdf (last accessed July 15, 2020).

¹⁶² https://ksupport.kiausa.com/ConsumerAffairs (last accessed July 15, 2020).

¹⁶³ https://www.hyundainews.com/en-us/releases/1270 (last accessed July 15, 2021).

All persons or entities in the United States who are current or former 1 owners and/or lessees of a Hyundai Entourage (model years 2007-2 2008); Kia Sedona (model years 2006-2010); Kia Sorento (model years 2007-2009, 2014-2015); Hyundai Tucson (model years 2016-2021). 3 307. In addition, and in the alternative to the Nationwide Class, Plaintiffs seek to 4 represent the following State Classes: 5 6 California Class: (represented by Plaintiff Elzinga) All persons or entities in the State of California who are current or former 7 owners and/or lessees of a Hyundai Tucson (model years 2016-2021). 8 Florida Class: (represented by Plaintiff Talley) 9 All persons or entities in the State of Florida who are current or former 10 owners and/or lessees of a Hyundai Tucson (model years 2016-2021). 11 **Ohio Class:** (represented by Plaintiff Washington) 12 All persons or entities in the State of Ohio who are current or former owners and/or lessees of a Kia Sorento (model years 2007-2009, 2014-13 2015). 14 **Rhode Island Class:** (represented by Plaintiff Zakikhani) 15 All persons or entities in the State of Rhode Island who are current or 16 former owners and/or lessees of a Hyundai Entourage (model years 2007-2008). 17 18 **Virginia Class:** (represented by Plaintiff Maddox) All persons or entities in the State of Virginia who are current or former 19 owners and/or lessees of a Kia Sorento (model years 2007-2009, 2014-20 2015). 21 **Connecticut Class:** (represented by Plaintiff Summa) 22 All persons or entities in the State of Connecticut who are current or former owners and/or lessees of a Kia Sorento (model years 2007-2009, 23 2014-2015). 24 Maryland Class: (represented by Plaintiffs Peacock and Olaciregui) 25 All persons or entities in the State of Maryland who are current or former 26 owners and/or lessees of a Kia Sorento (model years 2007-2009, 2014-27 2015).

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Missouri Class: (represented by Plaintiff Tinsley)

All persons or entities in the State of Connecticut who are current or former owners and/or lessees of a Kia Sorento (model years 2007-2009, 2014-2015).

Texas Class: (represented by Plaintiff Irish)

All persons or entities in the State of Connecticut who are current or former owners and/or lessees of a Kia Sedona (model years 2006-2010).

- 308. The Nationwide Class and the State Classes are collectively referred to herein as the Classes.
- 309. Excluded from the Classes are Defendants, their affiliates, employees, officers and directors, persons or entities that purchased the Defective Vehicles for resale, and the Judge(s) assigned to this case. Plaintiffs reserve the right to modify, change, or expand the Classes definitions based on discovery and further investigation.
- 310. <u>Numerosity</u>: Upon information and belief, the Classes are so numerous that joinder of all members is impracticable. While the exact number and identities of individual members of the Classes are unknown at this time, such information being in the sole possession of Defendants and obtainable by Plaintiffs only through the discovery process, Plaintiffs believe, and on that basis alleges, that at least a million Defective Vehicles have been sold and leased in the United States.
- 311. Existence and Predominance of Common Questions of Fact and Law:
 Common questions of law and fact exist as to all members of the Classes. These questions predominate over the questions affecting individual Class Members. These common legal and factual questions include, but are not limited to:
 - a. Whether Defendants engaged in the conduct alleged herein;
 - b. Whether Plaintiffs' claims emanate from Hyundai America's and Kia America's conduct in California;

- c. Whether Defendants designed, advertised, marketed, distributed, leased, sold, or otherwise placed the Defective Vehicles into the stream of commerce in the United States;
- d Whether the Defective Vehicles were sold with a safety defect;
- e. Whether Defendants knew of the Defect but failed to disclose the problem and its consequences to their customers;
- f Whether a reasonable consumer would consider the Defect or its consequences to be material;
- g When Defendants discovered the Defect in the Defective Vehicles, and what, if anything, they did in response;
- h Whether Defendants should be required to disclose the existence of the Defect;
- i Whether Defendants' conduct violates the California Legal Remedies Act, California Unfair Competition Law, and the other statutes asserted herein;
- j. Whether Plaintiffs and Class Members overpaid for their Defective Vehicles; and
- k Whether Plaintiffs and Class Members experienced out-of-pocket losses as a result of the Defect, and if so, how much.
- 312. <u>Typicality</u>: Plaintiffs' claims are typical of the claims of the Classes because Plaintiffs purchased Defective Vehicles with the same Defect as did each member of the Classes. Furthermore, Plaintiffs and all Members of the Classes sustained monetary and economic injuries including, but not limited to, ascertainable losses arising out of Defendants' wrongful conduct. Plaintiffs are advancing the same claims and legal theories on behalf of themselves and all absent Class Members.
- 313. <u>Adequacy</u>: Plaintiffs are adequate representatives because their interests do not conflict with the interests of the Classes that they seek to represent, they have retained counsel competent and highly experienced in complex class action litigation, and they intend to prosecute this action vigorously. The interests of the Classes will be fairly and

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adequately protected by Plaintiffs and their counsel.

314. Superiority: A class action is superior to all other available means of fair and efficient adjudication of the claims of Plaintiffs and Members of the Classes. The injury suffered by each individual Class member is relatively small in comparison to the burden and expense of individual prosecution of the complex and extensive litigation necessitated by Defendants' conduct. It would be virtually impossible for Members of the Classes individually to redress effectively the wrongs done to them. Even if the Members of the Classes could afford such individual litigation, the court system could not. Individualized litigation presents a potential for inconsistent or contradictory judgments. Individualized litigation increases the delay and expense to all parties, and to the court system, presented by the complex legal and factual issues of the case. By contrast, the class action device presents far fewer management difficulties, and provides the benefits of single adjudication, an economy of scale, and comprehensive supervision by a single court. Upon information and belief, members of the Class can be readily identified and notified based on, inter alia, Defendants' vehicle identification numbers, warranty claims, registration records, and database of complaints.

315. Defendants have acted, and refused to act, on grounds generally applicable to the Classes, thereby making appropriate final equitable relief with respect to the Classes as a whole.

VIII.CAUSES OF ACTION

FIRST CAUSE OF ACTION VIOLATION OF THE CALIFORNIA CONSUMER LEGAL REMEDIES ACT, Cal. Civ. Code § 1750, ET SEQ. ("CLRA")

(Individually and on behalf of the Nationwide Class or, in the Alternative, the California Class)

(As to all Defendants)

- 316. Plaintiffs and the Classes incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 317. Plaintiffs bring this claim on behalf of themselves and the Nationwide Class, and Plaintiff Elzinga brings this claim in the alternative on behalf of herself and the California Class.
- 318. Hyundai America, HMC, Kia America, and KMC are each a "person" as that term is defined in California Civil Code § 1761(c).
- 319. Plaintiffs and the Class Members are "consumer[s]" as that term is defined in California Civil Code §1761(d).
- 320. Hyundai America, HMC, Kia America, and KMC engaged in unfair and deceptive acts in violation of the CLRA, Cal. Civ. Code § 1750, et seq., by the practices described above, and by knowingly and intentionally concealing from Plaintiffs and Class Members that the Defective Vehicles suffer from a defect(s) (and the costs, risks, and diminished value of the vehicles as a result of this problem). These acts and practices violate, at a minimum, the following sections of the CLRA:
 - a (a)(2) Misrepresenting the source, sponsorship, approval or certification of goods or services;
 - b. (a)(5) Representing that goods or services have sponsorships, characteristics, uses, benefits or quantities which they do not have, or that a person has a sponsorship, approval, status, affiliation or connection which he or she does not have;

- c. (a)(7) Representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another; and
- d. (a)(9) Advertising goods and services with the intent not to sell them as advertised.
- 321. Defendants' unfair or deceptive acts or practices occurred repeatedly in Defendants' trade or business, were capable of deceiving a substantial portion of the purchasing public and imposed a serious safety risk on the public.
- 322. Hyundai America, HMC, Kia America, and KMC knew that the Defective Vehicles were defectively designed or manufactured, would fail prematurely, and were not suitable for their intended use.
- 323. Hyundai America, HMC, Kia America, and KMC were each under a duty to Plaintiffs and the Class Members to disclose the defective nature of the Defective Vehicles and the defective nature of the ABS control modules because:
 - a Defendants were in a superior position to know the true state of facts about the safety Defect and associated repair costs in the Defective Vehicles;
 - b. Plaintiffs and the Class Members could not reasonably have been expected to learn or discover that the Defective Vehicles had dangerous safety Defect until manifestation of the Defect;
 - c. Defendants knew that Plaintiffs and the Class Members could not reasonably have been expected to learn or discover the safety Defect and the associated repair costs that it causes until the manifestation of the Defect; and
 - d Defendants actively concealed the safety Defect and the associated repair costs by knowingly failing to recall Defective Vehicles at an earlier date and denying warranty claims arising from the Defect.
 - 324. In failing to disclose the Defect and the associated safety risks and repair

costs that result from it, Hyundai America, HMC, Kia America, and KMC have knowingly and intentionally concealed material facts and breached their duty to disclose.

- 325. The facts concealed or not disclosed by Hyundai America, HMC, Kia America, and KMC to Plaintiffs and the Class Members are material in that a reasonable consumer would have considered them to be important in deciding whether to purchase Defective Vehicles or pay a lesser price. Had Plaintiffs and the Class known about the defective nature of the Defective Vehicles, they would not have purchased or leased the Defective Vehicles or would have paid less for them.
- 326. On or about August 25, 2020 and November 4, 2020, Plaintiffs, through undersigned counsel, provided Defendants with notices of their violations of the CLRA.
- 327. Plaintiffs and Class Members' injuries were proximately caused by Defendants' fraudulent and deceptive business practices.
- 328. Plaintiffs and the Class Members' seek all remedies available under the CLRA, including equitable relief, damages, punitive damages, and attorneys' fees.

SECOND CAUSE OF ACTION VIOLATION OF THE CALIFORNIA UNFAIR COMPETITION LAW, CAL. BUS. & PROF. CODE § 17200 ("UCL")

(Individually and on behalf of the Nationwide Class or, in the Alternative, the California Class)

(As to all Defendants)

- 329. Plaintiffs and the Classes incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 330. Plaintiffs bring this claim on behalf of themselves and the Nationwide Class, and Plaintiff Elzinga brings this claim in the alternative on behalf of herself and the California Class.
 - 331. The UCL prohibits acts of "unfair competition," including any "unlawful,

unfair or fraudulent business act or practice" and "unfair, deceptive, untrue or misleading advertising." Cal. Bus. & Prof. Code § 17200.

- 332. Hyundai America, HMC, Kia America, and KMC have engaged in unfair competition and unfair, unlawful or fraudulent business practices by the conduct, statements, and omissions described above, and by knowingly and intentionally concealing from Plaintiffs and the Class Members that the Defective Vehicles suffer from a defect (and the costs, safety risks, and diminished value of the vehicles as a result of these problems). Defendants should have disclosed this information because they were in a superior position to know the true facts related to the defect, and Plaintiffs and Class Members could not reasonably be expected to learn or discover the true facts related to the defect.
- 333. The defective ABS control modules constitute a safety issue that triggered each Defendant's duty to disclose the safety issue to consumers.
- 334. These acts and practices have deceived Plaintiffs and are likely to deceive the public. In failing to disclose the defect and suppressing other material facts from Plaintiffs and the Class Members, Defendants breached their duties to disclose these facts, violated the UCL, and caused injuries to Plaintiffs and the Class Members. The omissions and acts of concealment by Defendants pertained to information that was material to Plaintiffs and the Class Members, as it would have been to all reasonable consumers.
- 335. A business practice is unlawful under the UCL if it is forbidden by any law. Defendants' acts, conduct, and practices were unlawful, in that they constituted, among other, violations of the CLRA, FAL, Song-Beverly Act, and/or implied warranties.
 - 336. The injuries suffered by Plaintiffs and the Class Members are not greatly

outweighed by any potential countervailing benefit to consumers or to competition, nor are they injuries that Plaintiffs and the Class Members should have reasonably avoided.

- 337. Hyundai America, HMC, Kia America, and KMC knew or should have known that their conduct violated the UCL.
- 338. Plaintiffs seek to enjoin further unlawful, unfair and/or fraudulent acts or practices by Defendants, to obtain restitutionary disgorgement of all monies and revenues generated as a result of such practices, and all other relief allowed under California Business & Professions Code § 17200.

THIRD CAUSE OF ACTION VIOLATION OF THE CALIFORNIA FALSE ADVERTISING LAW, CAL. BUS. & PROF. CODE § 17500, ET SEQ. ("FAL")

(Individually and on behalf of the Nationwide Class or, in the Alternative, the California Class)

(As to all Defendants)

- 339. Plaintiffs and the Classes incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 340. Plaintiffs bring this claim on behalf of themselves and the Nationwide Class, and Plaintiff Elzinga brings this claim in the alternative on behalf of herself and the California Class, against Hyundai America, HMC, Kia America, and KMC.
- 341. California Business & Professions Code § 17500 states: "It is unlawful for any . . . corporation . . . with intent directly or indirectly to dispose of real or personal property . . . to induce the public to enter into any obligation relating thereto, to make or disseminate or cause to be made or disseminated . . . from this state before the public in any state, in any newspaper or other publication, or any advertising device, . . . or in any other manner or means whatever, including over the Internet, any statement . . . which is untrue or misleading, and which is known, or which by the exercise of reasonable care

should be known, to be untrue or misleading."

342. Hyundai America, HMC, Kia America, and KMC caused to be made or disseminated through California and the United States, through advertising, marketing and other publications, statements that were untrue or misleading, and which were known, or which by the exercise of reasonable care should have been known Defendants to be untrue and misleading to consumers, including Plaintiffs and the other Class Members.

343. Hyundai America, HMC, Kia America, and KMC have violated section 17500 because the misrepresentations and omissions regarding the safety, reliability, and functionality of their Defective Vehicles as set forth in this Complaint were material and likely to deceive a reasonable consumer.

344. Plaintiffs and the other Class Members have suffered an injury in fact, including the loss of money or property, as a result of Hyundai America's, HMC's, Kia America's, and KMC's unfair, unlawful, and/or deceptive practices. In purchasing or leasing their Defective Vehicles, Plaintiffs and the other Class Members relied on the misrepresentations and/or omissions of Hyundai America, HMC, Kia America, and KMC with respect to the safety and reliability of the Defective Vehicles. Hyundai America's, HMC's, Kia America's, and KMC's representations were untrue because the Defective Vehicles are distributed with defective ABS control modules. Had Plaintiffs and the other Class Members known this, they would not have purchased or leased their Defective Vehicles and/or paid as much for them. Accordingly, Plaintiffs and the other Class Members overpaid for their Defective Vehicles and did not receive the benefit of their bargain.

345. All of the wrongful conduct alleged herein occurred, and continues to occur,

in the conduct of Hyundai America's, HMC's, Kia America's, and KMC's businesses. Hyundai America's and Kia America's wrongful conduct is part of a pattern or generalized course of conduct that is still perpetuated and repeated, both in the state of California and nationwide.

346. Plaintiffs, individually and on behalf of the other Class Members, requests that this Court enter such orders or judgments as may be necessary to enjoin Hyundai America, HMC, Kia America, and KMC a from continuing their unfair, unlawful, and/or deceptive practices and to restore to Plaintiffs and the other Class Members any money Hyundai America, HMC, Kia America, and KMC acquired by unfair competition, including restitution and/or restitutionary disgorgement, and for such other relief set forth below.

FOURTH CAUSE OF ACTION VIOLATIONS OF THE SONG-BEVERLY ACT, BREACH OF IMPLIED WARRANTY, CAL. CIV. CODE §§ 1792, 1791.1, ET SEQ.

(Individually and on behalf of the California Class) (As to Hyundai America and HMC)

- 347. Plaintiff Elzinga incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 348. Plaintiff Elzinga brings this claim on behalf of herself and the California Class against Hyundai America and HMC.
- 349. At all relevant times hereto, Hyundai America and HMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Hyundai America and HMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
 - 350. Hyundai America and HMC provided Plaintiff Elzinga and the Class

Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.

- 351. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the defect.
- 352. Hyundai America and HMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Hyundai America and HMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty that the Defective Vehicles would be fit for their intended use—providing safe and reliable transportation—while the Defective Vehicles were being operated.
- 353. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the components.
- 354. Plaintiff Elzinga and the other Class Members have had sufficient direct dealings with either Hyundai America and HMC or their agents (e.g., dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Hyundai America and HMC on one hand, and Plaintiff Elzinga and each of the other Class Members on the other hand. Nonetheless, privity is not required here because

Plaintiff Elzinga and each of the other Class Members are intended third-party beneficiaries of contracts between Hyundai America and HMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Elzinga and each of the other Class Members relied on statements made by Hyundai America and HMC themselves in choosing to purchase or lease a Defective Vehicle.

355. Hyundai America's and HMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of California Civil Code §§ 1792 and 1791.1.

356. Pursuant to Cal. Civ. Code §§ 1791.1(d) & 1794, Plaintiff Elzinga and the other Class Members are entitled to damages and other legal and equitable relief, including, an adequate remedy for the Defect, or at their election, the purchase price of their Defective Vehicles, or the overpayment or diminution in value of their Defective Vehicles.

357. Pursuant to Cal. Civ. Code § 1794, Plaintiff Elzinga and the other Class Members are entitled to costs and attorneys' fees.

FIFTH CAUSE OF ACTION VIOLATION OF THE FLORIDA DECEPTIVE AND UNFAIR TRADE PRACTICES ACT FLA. STAT. § 501.201 *ET SEQ*. ("FDUTPA")

(Individually and on behalf of the Florida Class)
(As to Hyundai America and HMC)

358. Plaintiff Talley incorporates by reference each preceding and succeeding

paragraph as though fully set forth at length herein.

- 359. Plaintiff Talley brings this claim on behalf of herself and the Florida Class against Hyundai America and HMC.
- 360. Plaintiff Talley and Florida Class members are "consumers" within the meaning of Fla. Stat. § 501.203(7).
- 361. Hyundai America and HMC engage in "trade or commerce" within the meaning of Fla. Stat. § 501.203(8).
- 362. The FDUTPA prohibits "[u]nfair methods of competition, unconscionable acts or practices, and unfair or deceptive acts or practices in the conduct of any trade or commerce." Fla. Stat. § 501.204(1).
- 363. Hyundai America's and HMC's acts and practices, described herein, are unfair and deceptive in violation of the FDUTPA. Hyundai America and HMC engaged in unfair and deceptive trade practices by promoting the quality and functionality of the Defective Vehicles while willfully failing to disclose and actively concealing the Defect. Hyundai America and HMC owed a duty to disclose all material facts concerning the Defective Vehicles and the Defect because it possessed exclusive or superior knowledge, intentionally concealed material information from consumers, and/or made misrepresentations that were rendered misleading because they were contradicted by facts that were withheld.
- 364. Hyundai America and HMC committed such unfair and deceptive acts and practices with the intent that consumers, such as Plaintiff Talley and Florida Class members, would rely on Defendants' misrepresentations and omissions when deciding whether to purchase a Defective Vehicle.
 - 365. Plaintiff Talley and Florida Class members suffered ascertainable loss as a

direct and proximate result of Hyundai America's and HMC's unfair and deceptive acts and practices. Had Plaintiff Talley and Florida Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries, Plaintiff Talley and Florida Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.

- 366. Plaintiff Talley and Florida Class members are entitled to recover their actual damages, under Fla. Stat. § 501.211(2) and reasonable attorneys' fees under Fla. Stat. § 501.2105(1).
- 367. Plaintiff Talley also seeks an order enjoining Hyundai America's and HMC's unfair and deceptive acts and practices pursuant to Fla. Stat. § 501.211, and any other just and proper relief available under the FDUTPA.

SIXTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, FLA. STAT. § 672.314

(Individually and on behalf of the Florida Class) (As to Hyundai America and HMC)

- 368. Plaintiff Talley incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 369. Plaintiff Talley brings this claim on behalf of herself and the Florida Class against Hyundai America and HMC.
- 370. At all relevant times hereto, Hyundai America and HMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Hyundai America and HMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
 - 371. Hyundai America and HMC provided Plaintiff Talley and the Florida Class

Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.

- 372. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.
- 373. Hyundai America and HMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Hyundai America and HMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty that the Defective Vehicles would be fit for their intended use—providing safe and reliable transportation—while the Defective Vehicles were being operated.
- 374. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the component.
- 375. Plaintiff Talley and the other Florida Class Members have had sufficient direct dealings with either Hyundai America and HMC or their agents (*e.g.*, dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Hyundai America and HMC on one hand, and Plaintiff Talley and each of the other Florida Class Members on the other hand. Nonetheless, privity is not required here

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because Plaintiff Talley and each of the other Class Members are intended third-party beneficiaries of contracts between Hyundai America and HMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Talley and each of the other Class Members relied on statements made by Hyundai America and HMC themselves in choosing to purchase or lease a Defective Vehicle.

376. Hyundai America's and HMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of FLA. STAT. ANN. § 672.314.

377. As a direct and proximate result of Hyundai America's and HMC's breach of implied warranties of merchantability, Plaintiff Talley and the other Florida Class members are entitled to damages in an amount to be determined at trial.

SEVENTH CAUSE OF ACTION VIOLATION OF THE OHIO CONSUMER SALES PRACTICES ACT OHIO REV. CODE ANN. § 1345.01 ET SEQ. ("OCSPA")

(Individually and on behalf of the Ohio Class) (As to Kia America and KMC)

- 378. Plaintiff Washington incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 379. Plaintiff Washington brings this claim on behalf of herself and the Ohio Class against Kia America and KMC.
 - 380. The OCSPA broadly prohibits unfair or deceptive acts or practices in

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connection with a consumer transaction. Specifically, and without limitation of the broad prohibition, the OCSPA prohibits (1) representing that Defective Vehicles have characteristics, uses, benefits, and qualities which they do not have, (2) representing that Defective Vehicles are of a particular standard, quality, and grade when they are not, (3) advertising Defective Vehicles with the intent not to sell them as advertised, and (4) engaging in acts or practices which are otherwise unfair, misleading, false, or deceptive to the consumer. Ohio Rev. Code Ann. § 1345.02

381. The Ohio Attorney General has made available for public inspection prior state court decisions which have held that the acts and omissions of Hyundai America, HMC, Kia America, and KMC in this Complaint, including but not limited to the failure to honor implied warranties, the making and distribution of false, deceptive, and/or misleading representations, and the concealment and/or non-disclosure of a dangerous defect, constitute deceptive sales practices in violation of the OCSPA. These cases include, but are not limited to, the following: Mason v. Mercedes Benz USA, LLC (OPIF #10002382); State ex rel. Betty D. Montgomery v. Ford Motor Co. (OPIF #10002123); State ex rel. Betty D. Montgomery v. Bridgestone/Firestone, Inc. (OPIF #10002025); Bellinger v. Hewlett-Packard Co., No. 20744, 2002 Ohio App. LEXIS 1573 (Ohio Ct. App. Apr. 10, 2002) (OPIF #10002077); Borror v. MarineMax of Ohio, Inc., No. OT-06-010, 2007 Ohio App. LEXIS 525 (Ohio Ct. App. Feb. 9, 2007) (OPIF #10002388); State ex rel. Jim Petro v. Craftmatic Organization, Inc. (OPIF #10002347); Mark J. Craw Volkswagen, et al. v. Joseph Airport Toyota, Inc. (OPIF #10001586); State ex rel. William J. Brown v. Harold Lyons, et al. (OPIF #10000304); Brinkman v. Mazda Motor of America, Inc. (OPIF #10001427); Khouri v. Don Lewis (OPIF #100001995); Mosley v. Performance Mitsubishi aka Automanage (OPIF #10001326); Walls v. Harry

Williams dba Butch's Auto Sales (OPIF #10001524); and Brown v. Spears (OPIF #10000403).

- 382. Kia America and KMC are each a "supplier" as that term is defined in OHIO REV. CODE ANN. § 1345.01(C).
- 383. Plaintiff Washington and the Ohio Class members are "consumers" as that term is defined in Ohio Rev. Code Ann. § 1345.01(D), and their purchase or lease of one or more Defective Vehicles is a "consumer transaction" within the meaning of Ohio Rev. Code Ann. § 1345.01(A).
- 384. Plaintiff Washington and the Ohio Class members suffered ascertainable loss as a direct and proximate result of Kia America's and KMC's unfair and deceptive acts and practices. Had Plaintiff Washington and the Ohio Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries, Plaintiff Washington and the Ohio Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.
- 385. As a result of the foregoing wrongful conduct, Plaintiff Washington and the Ohio Class have been damaged in an amount to be proven at trial and seek all just and proper remedies, including but not limited to, actual and statutory damages, an order enjoining Kia America's and KMC's deceptive and unfair conduct, treble damages, court costs, and reasonable attorneys' fees, pursuant to Ohio Rev. Code Ann. § 1345.09 *et seq*.

EIGHTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, OHIO REV. CODE ANN. § 1302.27

(Individually and on behalf of the Ohio Class)
(As to Kia America and KMC)

- 386. Plaintiff Washington incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 387. Plaintiff Washington brings this claim on behalf of herself and the Ohio Class against Kia America and KMC.
- 388. At all relevant times hereto, Kia America and KMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Kia America and KMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
- 389. Kia America and KMC provided Plaintiff Washington and the Ohio Class Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.
- 390. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.
- 391. Kia America and KMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Kia America and KMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty

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394. Kia America's and KMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for

such use in violation of Ohio Rev. Code Ann. § 1302.27.

that the Defective Vehicles would be fit for their intended use – providing safe and reliable transportation – while the Defective Vehicles were being operated.

392. Contrary to the applicable implied warranties, the Defective Vehicles, viz. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the component.

393. Plaintiff Washington and the other Ohio Class Members have had sufficient direct dealings with either Kia America and KMC or their agents (e.g., dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Kia America and KMC on one hand, and Plaintiff Washington and each of the other Ohio Class Members on the other hand. Nonetheless, privity is not required here because Plaintiff Washington and each of the other Class Members are intended thirdparty beneficiaries of contracts between Kia America and KMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Washington and each of the other Class Members relied on statements made by Kia America and KMC themselves in choosing to purchase or lease a Defective Vehicle.

395. As a direct and proximate result of Kia America's and KMC's breach of implied warranties of merchantability, Plaintiff Washington and the other Ohio Class members are entitled to damages in an amount to be determined at trial.

NINTH CAUSE OF ACTION VIOLATION OF THE MARYLAND CONSUMER PROTECTION ACT MD. CODE ANN., COM. LAW § 13-101 ET SEQ. ("MCPA")

(Individually and on behalf of the Maryland Class)
(As to Kia America and KMC)

- 396. Plaintiffs Peacock and Olaciregui incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 397. Plaintiffs Peacock and Olaciregui bring this claim on behalf of themselves and the Maryland Class, against Kia America and KMC.
- 398. The MCPA provides that a person may not engage in any unfair or deceptive trade practice in the sale or lease of any consumer good, including "failure to state a material fact if the failure deceives or tends to deceive" and "[d]eception, fraud, false pretense, false premise, misrepresentation, or knowing concealment, suppression, or omission of any material fact with the intent that a consumer rely on the same," MD. CODE ANN., COM. LAW § 13-301, regardless of whether the consumer is actually deceived or damaged, MD. CODE ANN., COM. LAW § 13-302.
- 399. Kia America, KMC, Plaintiffs Peacock and Olaciregui, and Maryland Class members are "persons" within the meaning of MD. CODE ANN., COM. LAW § 13-101(h).
- 400. Plaintiffs Peacock and Olaciregui, and Maryland Class members suffered ascertainable loss as a direct and proximate result of Kia America's and KMC's unfair and deceptive acts and practices. Had Plaintiffs Peacock and Olaciregui, and Maryland Class members known that the Defective Vehicles are defective, they would not have

purchased or leased them, or would have paid significantly less for a Defective Vehicle.

Among other injuries, Plaintiffs Peacock and Olaciregui, and Maryland Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.

401. Pursuant to MD. CODE ANN., COM. LAW § 13-408, Plaintiffs seek actual damages, attorneys' fees, and any other just and proper relief available under the MCPA.

TENTH CAUSE OF ACTION

BREACH OF IMPLIED WARRANTY, MD. CODE ANN., COM. LAW §§ 2-314 (Individually and on behalf of the Maryland Class) (As to Kia America and KMC)

- 402. Plaintiffs Peacock and Olaciregui incorporate by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 403. Plaintiffs Peacock and Olaciregui bring this claim on behalf of themselves and the Maryland Class, against Kia America and KMC.
- 404. Kia America and KMC are each a "merchant" and each Defective Vehicle is a "good" as defined in Maryland's Commercial Law governing the implied warranty of merchantability. MD. CODE ANN., COM. LAW §§ 2-104(1), 2-105(1).
- 405. Pursuant to MD. CODE ANN., COM. LAW § 2-314, a warranty that the Defective Vehicles were in merchantable condition was implied by law, and the Defective Vehicles were bought and sold subject to an implied warranty of merchantability.
- 406. By placing the Defective Vehicles in the stream of commerce, Kia America and KMC impliedly warranted that the Defective Vehicles are safe, and that all claims in their advertising and marketing of the Defective Vehicles were true.
 - 407. The Defective Vehicles did not comply with the implied warranty of

merchantability because, at the time of sale or lease and at all times thereafter, the Defective Vehicles were defective and not in merchantable condition, would not pass without objection in the trade, and were not fit for the ordinary purpose for which vehicles were used. Specifically, the Defective Vehicles suffer from the Defect which causes the Defective Vehicles' to spontaneously erupt and prematurely fail.

- 408. Further, Kia America and KMC have refused to provide an adequate warranty repair for the Defect, thus rendering the satisfaction of any notice requirement futile. As stated above, Defendants have acknowledged that a safety Defect is present in the ABS modules of the Defective Vehicles but have yet to issue a comprehensive remedy that alleviates the risk of engine compartment fires.
- 409. Plaintiffs Peacock and Olaciregui and the other Maryland Class members suffered injuries due to the defective nature of the Defective Vehicles and Kia America's and KMC's breach of the warranty of merchantability.
- 410. At all times that Kia America and KMC warranted and sold the Defective Vehicles, they knew or should have known that their warranties were false, and yet they did not disclose the truth, or stop manufacturing or selling the Defective Vehicles, and instead continued to issue false warranties, and continued to insist the products were safe. The Defective Vehicles were defective when Kia America and KMC delivered them to their resellers, dealers, and distributors which sold the Defective Vehicles, and the Defective Vehicles were therefore still defective when they reached Plaintiff and the Class.
- 411. Kia America's and KMC's resellers, dealers, and distributors are intermediaries between Kia America and KMC and consumers. These intermediaries sell Defective Vehicles to consumers and are not, themselves, consumers of Defective

Vehicles, and therefore have no rights against Kia America and KMC with respect to Plaintiffs Peacock's and Olaciregui's and the other Maryland Class members' acquisition of Defective Vehicles. Kia America's and KMC's warranties were designed to influence consumers who purchased and/or owned Defective Vehicles.

- 412. Plaintiffs Peacock's and Olaciregui's and the other Maryland Class members' acquisition of the Defective Vehicles suffices to create privity of contract between Plaintiff and all other members of the Class, on the one hand, and Kia America and KMC, on the other hand; however, pursuant to MD. CODE ANN., COM. LAW § 2-314 privity of contract is not required.
 - 413. Kia America and KMC each had notice of its breach as alleged herein.
- 414. As a direct and proximate result of Kia America's and KMC's breach of implied warranties of merchantability, Plaintiffs Peacock and Olaciregui and the other Maryland Class members are entitled to damages in an amount to be determined at trial.

ELEVENTH CAUSE OF ACTION VIOLATION OF THE VIRGINIA CONSUMER PROTECTION ACT, VA. CODE ANN. § 59.1-196, *ET SEQ*. ("VCPA")

(Individually and on behalf of the Virginia Class)
(As to Kia America and KMC)

- 415. Plaintiff Maddox incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 416. Plaintiff Maddox brings this claim on behalf of himself and the Virginia Class against Kia America and KMC.
- 417. The VCPA lists prohibited "practices," which include "[u]sing any other deception, fraud, false pretense, false promise, or misrepresentation in connection with a consumer transaction." VA. CODE ANN. § 59.1-200.

- 418. Kia America and KMC are each a "supplier" under VA. CODE ANN. § 59.1-198.
- 419. Each sale and lease of a Defective Vehicle was a "consumer transaction" within the meaning of VA. CODE ANN. § 59.1-198.
- 420. Plaintiff Maddox and the Virginia Class members suffered ascertainable loss as a direct and proximate result of Kia America's and KMC's unfair and deceptive acts and practices. Had Plaintiff Maddox and the Virginia Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries, Plaintiff Maddox and the Virginia Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.
- 421. Pursuant to VA. CODE ANN. § 59.1-204, Plaintiff Maddox and the Virginia Class seek monetary relief against each Defendant measured as the greater of (a) actual damages in an amount to be determined at trial and (b) statutory damages in the amount of \$500 for each Plaintiff. Because Kia America's and KMC's conduct was committed willfully and knowingly, Plaintiff Maddox and the Virginia Class are entitled to recover, for each plaintiff, the greater of (a) three times actual damages or (b) \$1,000.
- 422. Plaintiff Maddox and the Virginia Class also seek an order enjoining each Defendant's unfair and/or deceptive acts or practices, punitive damages, and attorneys' fees, and any other just and proper relief available under VA. CODE ANN. § 59.1-204 *et seq*.

TWELFTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, VA. CODE ANN. § 8.2-314

(Individually and on behalf of the Virginia Class)
(As to Kia America and KMC)

- 423. Plaintiff Maddox incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 424. Plaintiff Maddox brings this claim on behalf of himself and the Virginia Class against Kia America and KMC.
- 425. At all relevant times hereto, Kia America and KMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Kia America and KMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
- 426. Kia America and KMC provided Plaintiff Maddox and the Virginia Class Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.
- 427. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.
- 428. Kia America and KMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Kia America and KMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty

that the Defective Vehicles would be fit for their intended use – providing safe and reliable transportation – while the Defective Vehicles were being operated.

- 429. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the components.
- 430. Plaintiff Maddox and the other Virginia Class Members have had sufficient direct dealings with either Kia America and KMC or their agents (*e.g.*, dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Kia America and KMC on one hand, and Plaintiff Maddox and each of the other Virginia Class Members on the other hand. Nonetheless, privity is not required here because Plaintiff Maddox and each of the other Class Members are intended third-party beneficiaries of contracts between Kia America and KMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Maddox and each of the other Class Members relied on statements made by Kia America and KMC themselves in choosing to purchase or lease a Defective Vehicle.
- 431. Kia America's and KMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of VA. CODE ANN. § 8.2-314.

432. As a direct and proximate result of Kia America's and KMC's breach of implied warranties of merchantability, Plaintiff Maddox and the other Virginia Class members are entitled to damages in an amount to be determined at trial.

THIRTEENTH CAUSE OF ACTION VIOLATION OF THE RHODE ISLAND UNFAIR TRADE PRACTICES AND CONSUMER PROTECTION ACT, R.I. GEN. LAWS § 6-13.1, ET SEQ. ("RHODE ISLAND CPA")

(Individually and on behalf of the Rhode Island Class)
(As to Hyundai America and HMC)

- 433. Plaintiff Zakikhani incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 434. Plaintiff Zakikhani brings this claim on behalf of himself and the Rhode Island Class against Hyundai and HMC.
- 435. The Rhode Island CPA prohibits "unfair or deceptive acts or practices" in the conduct of any trade or commerce, including "[e]ngaging in any act or practice that is unfair or deceptive to the consumer" and "[u]sing any other methods, acts or practices that mislead or deceive members of the public in a material respect." R.I. GEN. LAWS § 6-13.1-1(6).
- 436. Hyundai, HMC, Plaintiff Zakikhani, and Rhode Island Class members are "persons" within the meaning of R.I. GEN. LAWS § 6-13.1-1(3).
- 437. Hyundai and HMC.were engaged in "trade" and "commerce" within the meaning of R.I. GEN. LAWS § 6-13.1-1(5).
- 438. Plaintiff Zakikhani purchased a Defective Vehicle primarily for personal, family, and household purposes within the meaning of R.I. GEN. LAWS § 6-13.1-5.2(a).
- 439. Plaintiff Zakikhani and the Rhode Island Class members suffered ascertainable loss as a direct and proximate result of Hyundai America's and HMC's

unfair and deceptive acts and practices. Had Zakikhani and the Rhode Island Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries, Zakikhani and the Rhode Island Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.

440. Plaintiff Zakikhani and the Rhode Island Class are entitled to recover the greater of actual damages or \$200 pursuant to R.I. GEN. LAWS § 6-13.1-5.2(a). Plaintiff Zakikhani and the Rhode Island Class also seek punitive damages at the discretion of the Court.

FOURTEENTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, R.I. GEN. LAWS § 6A-2-314;

(Individually and on behalf of the Rhode Island Class)
(As to Hyundai America and HMC)

- 441. Plaintiff Zakikhani incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 442. Plaintiff Zakikhani brings this claim on behalf of himself and the Rhode Island Class against Hyundai and HMC.
- 443. At all relevant times hereto, Hyundai America and HMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Hyundai America and HMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
- 444. Hyundai America and HMC provided Plaintiff Zakikhani and the Rhode Island Class Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because,

inter alia, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.

- 445. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.
- 446. Hyundai America and HMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Hyundai America and HMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty that the Defective Vehicles would be fit for their intended use providing safe and reliable transportation while the Defective Vehicles were being operated.
- 447. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the components.
- 448. Plaintiff Zakikhani and the other Rhode Island Class Members have had sufficient direct dealings with either Hyundai America and HMC or their agents (e.g., dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Hyundai America and HMC on one hand, and Plaintiff Zakikhani and each of the other Rhode Island Class Members on the other hand. Nonetheless, privity is not required here because Plaintiff Zakikhani and each of the other Class Members are intended third-party beneficiaries of contracts between Hyundai America and HMC and

their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Zakikhani and each of the other Class Members relied on statements made by Hyundai America and HMC themselves in choosing to purchase or lease a Defective Vehicle.

- 449. Hyundai America's and HMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of R.I. GEN. LAWS § 6A-2-314.
- 450. As a direct and proximate result of Hyundai America's and HMC's breach of implied warranties of merchantability, Plaintiff Zakikhani and the other Rhode Island Class Members are entitled to damages in an amount to be determined at trial.

FIFTEENTH CAUSE OF ACTION VIOLATION OF THE CONNECTICUT UNFAIR TRADE PRACTICES ACT, CONN. GEN. STAT. § 42-110A ET SEQ. ("CUTPA")

(Individually and on behalf of the Connecticut Class)
(As to Kia America and KMC)

- 451. Plaintiff Summa incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 452. Plaintiff Summa brings this claim on behalf of himself and the Connecticut Class against Kia America and KMC.
- 453. The CUTPA provides: "No person shall engage in unfair methods of competition and unfair or deceptive acts or practices in the conduct of any trade or commerce." CONN. GEN. STAT. § 42-110b(a).

- 454. Plaintiff Summa, Connecticut Class members, Kia America, and KMC are each a "person" within the meaning of CONN. GEN. STAT. § 42-110a(3).
- 455. Kia America's and KMC's challenged conduct occurred in "trade" or "commerce" within the meaning of CONN. GEN. STAT. § 42-110a(4).
- 456. Plaintiff Summa and Connecticut Class members suffered ascertainable loss as a direct and proximate result of Kia America's and KMC's unfair and deceptive acts and practices. Had Plaintiff Summa and Connecticut Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries, Plaintiff Summa and Connecticut Class members overpaid for their Defective Vehicles, and their Defective Vehicles suffered a diminution in value.
- 457. Plaintiff Summa and Connecticut Class members are entitled to recover their actual damages, punitive damages, and attorneys' fees pursuant to CONN. GEN. STAT. § 42-110g.
- 458. Kia America and KMC acted with reckless indifference to another's rights, or wanton or intentional violation of another's rights, and otherwise engaged in conduct amounting to a particularly aggravated, deliberate disregard for the rights of others. Therefore, punitive damages are warranted.

SIXTEENTH CAUSE OF ACTION VIOLATION OF THE TEXAS DECEPTIVE TRADE PRACTICES AND CONSUMER PROTECTION ACT, TEX. BUS. & COM. CODE § 17.4 ET SEQ. ("TEXAS DTPA")

(Individually and on behalf of the Texas Class) (As to Kia America and KMC)

459. Plaintiff Irish incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.

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460. Plaintiff Irish brings this claim on behalf of herself and the Texas Class against Kia America and KMC.

- 461. The Texas DTPA provides a private right of action to a consumer where the consumer suffers economic damage as the result of (i) the use of false, misleading, or deceptive act or practice specifically enumerated in Tex. Bus. & Com. Code § 17.46(b); (ii) "breach of an express or implied warranty," TEX. BUS. & COM. CODE § 17.50(a)(2); or (iii) "an unconscionable action or course of action by any person." TEX. BUS. & COM. CODE § 17.50(a)(3). The Texas DTPA (TEX. BUS. & COM. CODE § 17.46(b)) declares several specific actions to be unlawful, including: "(5) representing that goods or services have. sponsorship, approval, characteristics, ingredients, uses, benefits, or qualities which they do not have"; "(7) representing that goods or services are of a particular standard, quality, or grade, or that goods are of a particular style or model, if they are of another"; and "(9) advertising goods or services with intent not to sell them as advertised." An "unconscionable action or course of action" means "an act or practice which, to a consumer's detriment, takes advantage of the lack of knowledge, ability, experience, or capacity of the consumer to a grossly unfair degree." TEX. BUS. & COM. CODE § 17.45(5). As detailed herein, Kia America and KMC have engaged in an unconscionable action or course of action and breached implied warranties of merchantability, and thereby caused economic damages to the Texas Class.
- 462. In the course of business, Kia America and KMC willfully failed to disclose and actively concealed the Defect and otherwise engaged in activities with a tendency or capacity to deceive. Kia America and KMC also engaged in unlawful trade practices by employing deception, deceptive acts or practices, fraud, misrepresentations, or concealment, suppression, or omission of any material fact with intent that others rely

upon such concealment, suppression, or omission, in connection with the sale of Defective Vehicles.

- 463. Kia America's and KMC's unfair or deceptive acts or practices were likely to and did in fact deceive reasonable consumers, including Plaintiff Irish and the other Texas Class members, about the true quality of and safety risks posed by the Defective Vehicles.
- 464. Kia America and KMC intentionally and knowingly misrepresented material facts regarding the Defective Vehicles with intent to mislead Plaintiff Irish and the Texas Class.
- 465. Kia America and KMC knew or should have known that their conduct violated the Texas DTPA.
- 466. Kia America and KMC each owed Plaintiff Irish and Texas Class members a duty to disclose the Defect.
- 467. Kia America's and KMC's omissions and/or misrepresentations about the Defect present in the Defective Vehicles were material to Plaintiff Irish and the Texas Class.
- 468. Plaintiff Irish and the Texas Class suffered ascertainable loss caused by Kia America's and KMC's misrepresentations and their concealment of and failure to disclose material information. Class members who purchased the Defective Vehicles either would have paid less for their vehicles or would not have purchased or leased them at all but for Kia America's and KMC's violations of the Texas DTPA.
- 469. Kia America and KMC had an ongoing duty to all customers to refrain from unfair and deceptive practices under the Texas DTPA. All owners of Defective Vehicles suffered ascertainable loss in the form of the diminished value of their vehicle as a result

of Kia America's and KMC's deceptive and unfair acts and practices made in the course of their business.

- 470. Kia America's and KMC's violations present a continuing risk to Plaintiff Irish as well as to the general public. Kia America's and KMC's unlawful acts and practices complained of herein affect the public interest.
- 471. As a direct and proximate result of Kia America's and KMC's violations of the Texas DTPA, Plaintiff Irish and the Texas Class have suffered injury-in-fact and/or actual damage.
- 472. On or about August 25, 2020 and November 4, 2020, Plaintiffs, through undersigned counsel, provided Kia America and KMC with notices of their violations of the Texas DTPA, pursuant to Tex. Bus. & Com. Code § 17.505.
- 473. Plaintiff Irish and the Texas Class seek monetary relief against Kia America and KMC measured as actual damages in an amount to be determined at trial, treble damages for Kia America's and KMC's knowing violations of the Texas DTPA, and any other just and proper relief available under the Texas DTPA.
- 474. Alternatively, or additionally, pursuant to TEX. BUS. & COM. CODE § 17.50(b)(3) & (4), Plaintiff Irish and the Texas Class are also entitled to disgorgement or to rescission or to any other relief necessary to restore any money or property that was acquired from them based on violations of the Texas DTPA or which the Court deems proper.

SEVENTEENTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, TEX. BUS. & COM. CODE § 2.314

(Individually and on behalf of the Texas Class) (As to Kia America and KMC)

- 475. Plaintiff Irish incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 476. Plaintiff Irish brings this claim on behalf of herself and the Texas Class against Kia America and KMC.
- 477. At all relevant times hereto, Kia America and KMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Kia America and KMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
- 478. Kia America and KMC provided Plaintiff Irish and the Texas Class Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.
- 479. The Defective Vehicles are not fit for the purpose of providing safe and reliable transportation because of the Defect.
- 480. Kia America and KMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Kia America and KMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty

that the Defective Vehicles would be fit for their intended use – providing safe and reliable transportation – while the Defective Vehicles were being operated.

481. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the components.

482. Plaintiff Irish and the other Texas Class Members have had sufficient direct dealings with either Kia America and KMC or their agents (*e.g.*, dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Kia America and KMC on one hand, and Plaintiff Irish and each of the other Texas Class Members on the other hand. Nonetheless, privity is not required here because Plaintiff Irish and each of the other Class Members are intended third-party beneficiaries of contracts between Kia America and KMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused here because Plaintiff Irish and each of the other Class Members relied on statements made by Kia America and KMC themselves in choosing to purchase or lease a Defective Vehicle.

483. Kia America's and KMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of Tex. Bus. & Com. Code § 2.314.

484. As a direct and proximate result of Kia America's and KMC's breach of

implied warranties of merchantability, Plaintiff Irish and the other Texas Class members are entitled to damages in an amount to be determined at trial.

EIGHTEENTH CAUSE OF ACTION VIOLATION OF THE MISSOURI MERCHANDISING PRACTICES ACT, MO. REV. STAT. § 407.010, ET SEQ. ("MMPA")

(Individually and on behalf of the Missouri Class)
(As to Kia America and KMC)

- 485. Plaintiff Tinsley incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 486. Plaintiff Tinsley brings this claim on behalf of herself and the Missouri Class against Kia America and KMC.
- 487. The MMPA makes unlawful the "act, use or employment by any person of any deception, fraud, false pretense, false promise, misrepresentation, unfair practice or the concealment, suppression, or omission of any material fact in connection with the sale or advertisement of any merchandise in trade or commerce[.]" Mo. REV. STAT. § 407.020.
- 488. Kia America and KMC, Plaintiff Tinsley, and the Missouri Class members are "persons" within the meaning of Mo. Rev. Stat. § 407.010(5).
- 489. Kia America and KMC engaged in "trade" or "commerce" in the State of Missouri within the meaning of Mo. Rev. Stat. § 407.010(7).
- 490. Plaintiff Tinsley and the Missouri Class members suffered ascertainable loss as a direct and proximate result of Kia America's and KMC's unfair and deceptive acts and practices. Had Plaintiff Tinsley and the Missouri Class members known that the Defective Vehicles are defective, they would not have purchased or leased them, or would have paid significantly less for a Defective Vehicle. Among other injuries,

491. Kia America and KMC are liable to Plaintiff Tinsley and the Missouri Class for damages in amounts to be proven at trial, including attorneys' fees, costs, and punitive damages, as well as injunctive relief enjoining Kia America's and KMC's unfair and deceptive practices, and any other just and proper relief under Mo. REV. STAT. § 407.025.

NINETEENTH CAUSE OF ACTION BREACH OF IMPLIED WARRANTY, MO. REV. STAT. § 400.2-314

(Individually and on behalf of the Missouri Class) (As to Kia America and KMC)

- 492. Plaintiff Tinsley incorporates by reference each preceding and succeeding paragraph as though fully set forth at length herein.
- 493. Plaintiff Tinsley brings this claim on behalf of herself and the Missouri Class against Kia America and KMC.
- 494. At all relevant times hereto, Kia America and KMC were the manufacturer, distributor, warrantor, and/or seller of the Defective Vehicles. Kia America and KMC knew or should have known of the specific use for which the Defective Vehicles were purchased.
- 495. Kia America and KMC provided Plaintiff Tinsley and the Missouri Class Members with an implied warranty that the Defective Vehicles, and any parts thereof, are merchantable and fit for the ordinary purposes for which they were sold. The Defective Vehicles, however, are not fit for their ordinary purpose because, *inter alia*, the Defective Vehicles suffered from an inherent defect at the time of sale that causes the Defective Vehicles to experience premature and catastrophic engine compartment fires.
 - 496. The Defective Vehicles are not fit for the purpose of providing safe and

reliable transportation because of the Defect.

497. Kia America and KMC impliedly warranted that the Defective Vehicles were of merchantable quality and fit for such use. This implied warranty included, *inter alia*, the following: (i) a warranty that the Defective Vehicles manufactured, supplied, distributed, and/or sold by Kia America and KMC were safe and reliable for providing transportation and would not prematurely and catastrophically fail; and (ii) a warranty that the Defective Vehicles would be fit for their intended use – providing safe and reliable transportation – while the Defective Vehicles were being operated.

498. Contrary to the applicable implied warranties, the Defective Vehicles, *viz*. their ABS control modules, at the time of sale and thereafter were not fit for their ordinary and intended purpose. Instead, the Defective Vehicles are defective, including, but not limited to, the defects which maintain an electrical charge in the vehicles' ABS control modules, and allow moisture to enter the components.

499. Plaintiff Tinsley and the other Missouri Class Members have had sufficient direct dealings with either Kia America and KMC or their agents (e.g., dealerships, Consumer Affairs departments, and technical support) to establish privity of contract between Kia America and KMC on one hand, and Plaintiff Tinsley and each of the other Missouri Class Members on the other hand. Nonetheless, privity is not required here because Plaintiff Tinsley and each of the other Class Members are intended third-party beneficiaries of contracts between Kia America and KMC and their dealers, and specifically, of Defendants' implied warranties. The dealers were not intended to be the ultimate consumers of the Defective Vehicles and have no rights under the warranty agreements provided with the Defective Vehicles; the warranty agreements were designed for and intended to benefit the consumers only. Additionally, privity is excused

here because Plaintiff Tinsley and each of the other Class Members relied on statements made by Kia America and KMC themselves in choosing to purchase or lease a Defective Vehicle.

- 500. Kia America's and KMC's actions, as complained of herein, breached the implied warranty that the Defective Vehicles were of merchantable quality and fit for such use in violation of Tex. Bus. & Com. Code § 2.314.
- 501. As a direct and proximate result of Kia America's and KMC's breach of implied warranties of merchantability, Plaintiff Tinsley and the other Missouri Class members are entitled to damages in an amount to be determined at trial.

IX. REQUEST FOR RELIEF

WHEREFORE, Plaintiffs, individually and on behalf of members of the Class, respectfully request that this Court:

- a Certify this action as a class action, proper and maintainable pursuant to Rule 23 of the Federal Rules of Civil Procedure; declare that Plaintiffs are proper class representatives; and appoint Plaintiffs' counsel as Class Counsel;
- b. Declare that any applicable statutes of limitations are tolled due to Defendants' fraudulent concealment and that Defendants are estopped from relying on any statutes of limitations in defense;
- c. Grant appropriate injunctive and/or declaratory relief, including, without limitation, an order that requires Defendants to repair, recall, and/or replace the ABS control modules installed in the Defective Vehicles and to extend the applicable warranties to a reasonable period of time, or, at a minimum, to provide Plaintiffs and Class Members with appropriate curative notice regarding the existence and cause of the ABS control module Defect;